



INTER-REGIONAL PARTNERSHIP
STATE PILOT PROJECT EVALUATION



FINAL REPORT



PREPARED FOR:

INTER-REGIONAL PARTNERSHIP



SUBMITTED TO:

**DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT**



JULY 30, 2004

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	III
1. INTRODUCTION	1
2. ANALYSIS OF THE JOBS/HOUSING BALANCE STRATEGY	7
3. POTENTIAL OUTCOME OF OPPORTUNITY ZONE DEVELOPMENT	25
4. PILOT PROJECT DESIGN AND IMPLEMENTATION	33
5. RECOMMENDATIONS	53

Appendices

Appendix: On-going Monitoring Program Data

List of Figures

1. Figure 1: JOBS/HOUSING OPPORTUNITY ZONE LOCATION MAP	5
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List of Tables

1. Table 1: JOBS/HOUSING OPPORTUNITY ZONES	4
2. Table 2: REALLOCATION OF JOBS AND HOUSING WITHOUT OPPORTUNITY ZONES ..	30
3. Table 3: PROJECTED IMPACT ON JOBS-TO-HOUSING RATIOS.....	30
4. Table 4: FINAL OPPORTUNITY ZONE EVALUATION CRITERIA.....	41
5. Table 5: EVALUATION COMMITTEE RESULTS.....	42

**INTER-REGIONAL PARTNERSHIP
STATE PILOT PROJECT EVALUATION
TABLE OF CONTENTS**

EXECUTIVE SUMMARY

This report is an evaluation of the State-funded Inter-Regional Partnership State Pilot Project to Improve the Balance of Jobs and Housing (IRP State Pilot Project), as required by the AB 2864.

The document contains the following:

- ◆ Chapter 1 contains background information about the IRP State Pilot Project.
- ◆ Chapter 2 analyzes the issue of jobs/housing balance and evaluates the ability of a jurisdictional jobs/housing balance strategy to affect regional problems.
- ◆ Chapter 3 explores the potential impact of the IRP State Pilot Project if full development of targeted development areas is attained.
- ◆ Chapter 4 evaluates five major components of the Pilot Project's design and implementation, including the:
 - Overall Opportunity Zone Strategy
 - Use of Geographic Information Systems
 - Opportunity Zone Selection Process
 - On-going Monitoring of the Opportunity Zones
 - Opportunity Zone Incentives
- ◆ Chapter 5 includes all of the report recommendations, most of which are derived from the analysis presented in chapters two through four. Chapter 5 also addresses and makes recommendations regarding the overall IRP effort.
- ◆ The appendix presents data collected about the Opportunity Zones by the participating Councils of Governments.

The major findings of the report and the accompanying recommendations are all included in Chapter 4. These findings and recommendations are organized into seven major components of the IRP State Pilot Project and are listed below.

A. Overall Program Organization and Efforts

Recommendation 1: This IRP should continue regular meetings to:

- ◆ Share knowledge
- ◆ Promote discussion of the regional issues such as jobs/housing balance
- ◆ Refine the State Pilot Project and the Opportunity Zone strategy
- ◆ Identify and adopt additional strategies to address regional problems

Recommendation 2: The IRP may want to consider setting aside specific resources to educate city staff and elected officials about the benefits of the Pilot Project and engage them in on-going discussions about the regional issues of concern to the program.

B. Opportunity Zone Strategy

Recommendation 3: The IRP should continue with its Opportunity Zone strategy, both with the current round of Opportunity Zones and potentially by implementing additional rounds of Opportunity Zones that respond to the recommendations in the rest of this chapter.

At the same time, future IRP efforts should also include other types of strategies, including the following:

- ◆ Development of a bi-regional plan or vision that would work to improve the jobs/housing balance on many fronts. Such an effort might be similar to the recently completed Bay Area Smart Growth Vision completed by ABAG and the Bay Area's other regional agencies, and would include identification of other implementation measures to be used throughout the regions.
- ◆ Development of incentives to support needed job and housing development in all housing- and job-rich areas without regard to inclusion in an Opportunity Zone.

- ◆ Creation of council of governments/Metropolitan Transportation Agency links between transportation funding and the balanced provision of jobs and housing, similar to those already in place in Oregon.
- ◆ Identification and acquisition of additional funds to provide infrastructure and reduce off-site development costs.
- ◆ Implementation of a regional economic development strategy that prioritizes sites based on criteria such as proximity to infrastructure and transit, workforce skill sets and potential market synergies. Economic development incentives should be linked to these priorities using project evaluation criteria. This strategy should be founded on in-depth research about:
 - Current market conditions and skill levels
 - Industries that might locate in housing-rich areas throughout the IRP counties
 - Potential locations for industry development

Once a regional strategy is developed, jurisdictions willing to participate in the strategy should adopt the regional strategy. Criteria developed for the Geographic Information System and Opportunity Zone project evaluation created for the State IRP Pilot Project, discussed in Chapter 4, may also be an important resource. The report commissioned by the IRP at the outset of the IRP State Pilot Project, *Managing the Consequences of Prosperity*, provides a good starting point for pursuing such a strategy.¹

- ◆ Development of incentive programs that provide funding for jurisdictions interested in revising land use regulations to allow mixed use, such as the Metropolitan Transportation Commission's Transportation for Livable Communities program.

¹ James R. King, *Managing the Consequences of Prosperity: A Report for the Inter-Regional Partnership*, Prepared for the East Bay Economic Development Alliance for Business by Applied Development Economics. January 10, 2001.

- ◆ Provision of information and educational resources about the negative regional consequences of exclusionary land use policies to make the case for housing. Shifting the local decision-making process in this direction could have a significantly beneficial impact on the housing market and the jobs/housing balance overall.
- ◆ Advocacy for statewide policy reform may be an effective strategy for the IRP to pursue to reduce the burden on jurisdictions with a surplus of housing, and to provide an incentive for job-surplus communities to bring in new housing.

C. Jobs/Housing Balance Efforts

Recommendation 4: Because of the political problems inherent in developing new housing in job-rich areas and the market's natural tendency to provide jobs in housing-rich areas over time, future IRP efforts should emphasize the provision of housing in job-rich areas. Some on-going programs can also emphasize job-creation in housing-rich areas, but the primary focus should be on housing in jobs-rich areas.

Recommendation 5: In order to allow for the quickest possible results, future IRP programs should emphasize the construction of jobs and housing at the same time in housing-rich areas.

Recommendation 6: Future IRP programs should focus, not only on the creation of a numerical balance between jobs and housing, but also on a match between the salaries of local jobs and the availability of appropriately priced housing to serve workers who fill those jobs.

Recommendation 7: Future IRP programs should emphasize, not only the construction of job-generating uses and housing, but should also be concerned about the design and mix of these uses. IRP programs should emphasize pedestrian- and transit-oriented design strategies and mixes of uses that encourage residents and workers to live near their workplaces.

D. Geographic Information System

Recommendation 8: This and future IRPs should consider creating a parcel level database to track development and trends to help identify potential sites for future focused development efforts and craft a regional economic development strategy. Similar parcel-level data has been collected in the Sacramento region (SACOG), and is proving very valuable for regional planning efforts there.

Recommendation 9: If staff and resources become available in the future, the IRP should pursue data collection and analysis at the scale of the Jobs Housing Analysis Areas defined by DC&E as a means to provide more meaningful information on regional jobs/housing balance.

E. Opportunity Zone Selection Process

Recommendation 10: IRPs should consider modifying the minimum parcel size requirements and reducing the percentage of vacant or underutilized parcels to allow for more infill development. New criteria should be considered that would allow a jurisdiction to submit a proposal for an Opportunity Zone made up of several non-contiguous parcels within an urbanized area or located within a specified distance from transit facilities. Density criteria for both jobs and housing should also be considered.

Recommendation 11: For any future Opportunity Zone selection process, additional criteria should be added to more thoroughly reflect the entire range of goals of the IRP. Such criteria might include:

- ◆ Compact development patterns
- ◆ Proximity to existing services
- ◆ Reuse of underutilized or vacant land within existing urbanized areas
- ◆ Proximity to transit

- ◆ Size of site
- ◆ Downtown location

Recommendation 12: Placing additional emphasis on the information available in the GIS data layers could have improved the selection results for the Opportunity Zones. Minimum and maximum threshold measurements are an important tool for determining which locations are best suited to serve as Opportunity Zones and should be emphasized. Work on this and future IRPs should also include a set of eligibility requirements, based on the threshold measurements developed for the GIS system covering location, land use designations, infrastructure, transit services, and relationship to urban development. Opportunity Zone applicants should be required to meet minimum or maximum thresholds in order to be eligible for the program.

Recommendation 13: Future IRP enabling legislation should include a longer time frame for measuring success.

Recommendation 14: Future Opportunity Zone selection criteria should include a requirement that proposed projects in housing-rich areas have a preponderance of jobs (e.g. at least 80%), and that projects in job-rich areas have a large preponderance of housing (e.g. at least 80%). This evaluation should be made based on the jobs/housing balance data of the project sub-regions (i.e. jobs/housing ratio for the county or census tracts within a 30 minute driving radius), as opposed to its city or county.

F. On-Going Monitoring of the Opportunity Zones

Recommendation 15: This and future IRPs should establish the methodology for data collection before designating Opportunity Zones. Data collection should begin when the Opportunity Zones are designated.

Recommendation 16: The IRP should consider including a data collection requirement for jurisdictions that receive an Opportunity Zone designation

and stipulate the terms for data collection in the document designating the Opportunity Zone. To mitigate the costs to jurisdictions that would accompany this requirement, the IRP should consider establishing a funding source and setting aside specific resources that would be available to jurisdictions with Opportunity Zones for implementing Opportunity Zone projects and collecting data about their progress.

G. Incentives

Recommendation 17: Any future IRP legislation should include a firm commitment of funds for incentives, so as to ensure certainty for Opportunity Zone applicants and affected jurisdictions.

Recommendation 18: The Pilot Project and other future IRPs would benefit from a stronger emphasis on incentives to promote the creation of housing in job-rich areas. Therefore, particular attention should be paid to creating incentives that would support such housing creation.

Recommendation 19: The IRP should emphasize the pursuit of new incentives that are not currently available in existing Opportunity Zones.

**INTER-REGIONAL PARTNERSHIP
STATE PILOT PROJECT EVALUATION
EXECUTIVE SUMMARY**

I INTRODUCTION

The Inter-Regional Partnership (IRP), a collaboration of Alameda, Contra Costa, San Joaquin, Santa Clara and Stanislaus Counties (Central Valley and ABAG region IRP) has hired Design, Community and Environment (DC&E) to evaluate the performance of the State-funded Inter-Regional Partnership State Pilot Project to Improve the Balance of Jobs and Housing (IRP State Pilot Project) and to look at the potential for this Pilot Project to improve the jobs/housing balance in the participating counties. The Pilot Project established Jobs/Housing Opportunity Zones within the participating counties to serve as designated receiver sites for jobs and housing where they would improve a current imbalance.

IRP requested that DC&E answer the following key questions relating to the Pilot Project's performance, implementation and design:

- ◆ Overall, would an improved jobs/housing balance in the IRP counties actually lead to improvements in underlying problem areas such as housing affordability, traffic congestion, air quality degradation and open space preservation?
- ◆ If the development proposed for the Pilot Project Opportunity Zones were completed, would it further improve the jobs/housing balance between the Central Valley and ABAG regions?
- ◆ How did the implementation of the Pilot Project effect the outcome?
- ◆ How well did the design of the IRP State Pilot Project work to accomplish the goals of the IRP?
- ◆ Is focused development a good strategy for shifting the inter-regional jobs/housing balance?
- ◆ Would the availability of incentives have improved the performance of the Opportunity Zones?

In addition, the legislation that enabled the IRP State Pilot Project, AB 2864, required a final report evaluating the following topics:

- ◆ Progress to date in the ten Jobs/Housing Opportunity Zones designated by the IRP State Pilot Project.

- ◆ The gap between jobs and housing in local jurisdictions with an Opportunity Zone before Opportunity Zone designation and after project completion. IRP has requested that this ratio be evaluated at the county level as well.

The key questions identified by the IRP are answered in the main body of this report. Recommendations for improving the Pilot Project and for future IRP strategies are presented as well. An appendix with the data to cover the topics required by AB 2864 will be included in the final report to the Department of Housing and Community Development.

A. Report Contents

This report contains the following:

- ◆ Chapter 1 is this introduction. It contains background information about the IRP State Pilot Project.
- ◆ Chapter 2 tackles the question of whether jobs/housing balance is the right regional problem to address in order to solve the underlying problems the IRP was created to address.
- ◆ Chapter 3 explores the potential impact the Opportunity Zones might have on the five-county area if full development of these targeted development areas is attained.
- ◆ Chapter 4 evaluates five major components of the Pilot Project's design and implementation, including the:
 - Overall Opportunity Zone Strategy
 - Use of Geographic Information Systems
 - Opportunity Zone Selection Process
 - On-going Monitoring of the Opportunity Zones
 - Opportunity Zone Incentives
- ◆ Chapter 5 includes all of the report recommendations, derived from the analysis presented in chapters two through four. Chapter 5 also addresses and makes recommendations regarding the overall IRP effort.

B. Background Information

The Inter-Regional Partnership identified the imbalance of jobs and housing between the Central Valley and ABAG counties as a problem that was jeopardizing the future of the communities that they represented. The elected officials that created the IRP, posited that reducing this imbalance could improve a number of problems that had arisen in these regions, including:

- ◆ The high cost of housing in the Bay Area and the resulting pressure on Central Valley communities to provide affordable alternatives.
- ◆ A dearth of high-paying jobs in the housing-rich Central Valley.
- ◆ High numbers of people commuting between the Central Valley and the Bay Area.
- ◆ Degradation of air and water quality as a result of automobile emissions.
- ◆ Stress and loss of quality of life as a result of long commute times and high congestion on the regions' freeways.
- ◆ Loss of open space and prime agricultural land.
- ◆ Insufficient or inefficient transportation facilities between housing and jobs centers.

To address these problems, IRP members and staff advocated for, and the California legislature, passed AB 2864. Among other things, the bill created the State-funded Inter-Regional Partnership State Pilot Project to Improve the Balance of Jobs and Housing in the Central Valley and ABAG regions.¹

¹ The Inter-Regional Partnership between Alameda, Contra Costa, San Joaquin, Santa Clara and Stanislaus Counties (IRP), established in 1998, was the first such partnership in the state. AB 2864, which created the IRP Pilot Project to Improve the Balance of Jobs and Housing, also created a mechanism to create other inter-regional partnerships in other parts of the state. To date, there are eight IRPs, including this IRP in the Central Valley and ABAG regions.

TABLE I **JOBS/HOUSING OPPORTUNITY ZONES**

Jurisdiction	Opportunity Zone Name	County	Type
County of San Joaquin	Airport East	San Joaquin	Jobs
City of Tracy	Tracy Gateway Business Park	San Joaquin	Jobs
City of Modesto	Kansas Avenue Business Park	Stanislaus	Jobs
County of Stanislaus	Patterson Business Park	Stanislaus	Jobs
Cities of Antioch and Oakley	Antioch-Oakley	Contra Costa	Jobs
Cities of Antioch and Brentwood	Antioch-Brentwood	Contra Costa	Jobs
City of Milpitas	Milpitas Housing	Santa Clara	Jobs- Housing
County of Alameda	San Lorenzo Village	Alameda	Jobs- Housing
County of Alameda	Dublin Transit Cen- ter/Mixed Use Zone	Alameda	Jobs- Housing
City of Union City	Union City Inter-modal Station Area	Alameda	Jobs- Housing

The IRP State Pilot Project operationalized the IRP’s strategy to balance jobs and housing in the participating regions by focusing development in designated areas called “Jobs/Housing Opportunity Zones” (Opportunity Zones).

In July 2002, the IRP designated ten Opportunity Zones distributed throughout the five participating counties. Table 1 lists the Opportunity Zones, the jurisdictions and counties where they are located and the type of development proposed in each zone. Figure 1 shows the location of these sites.

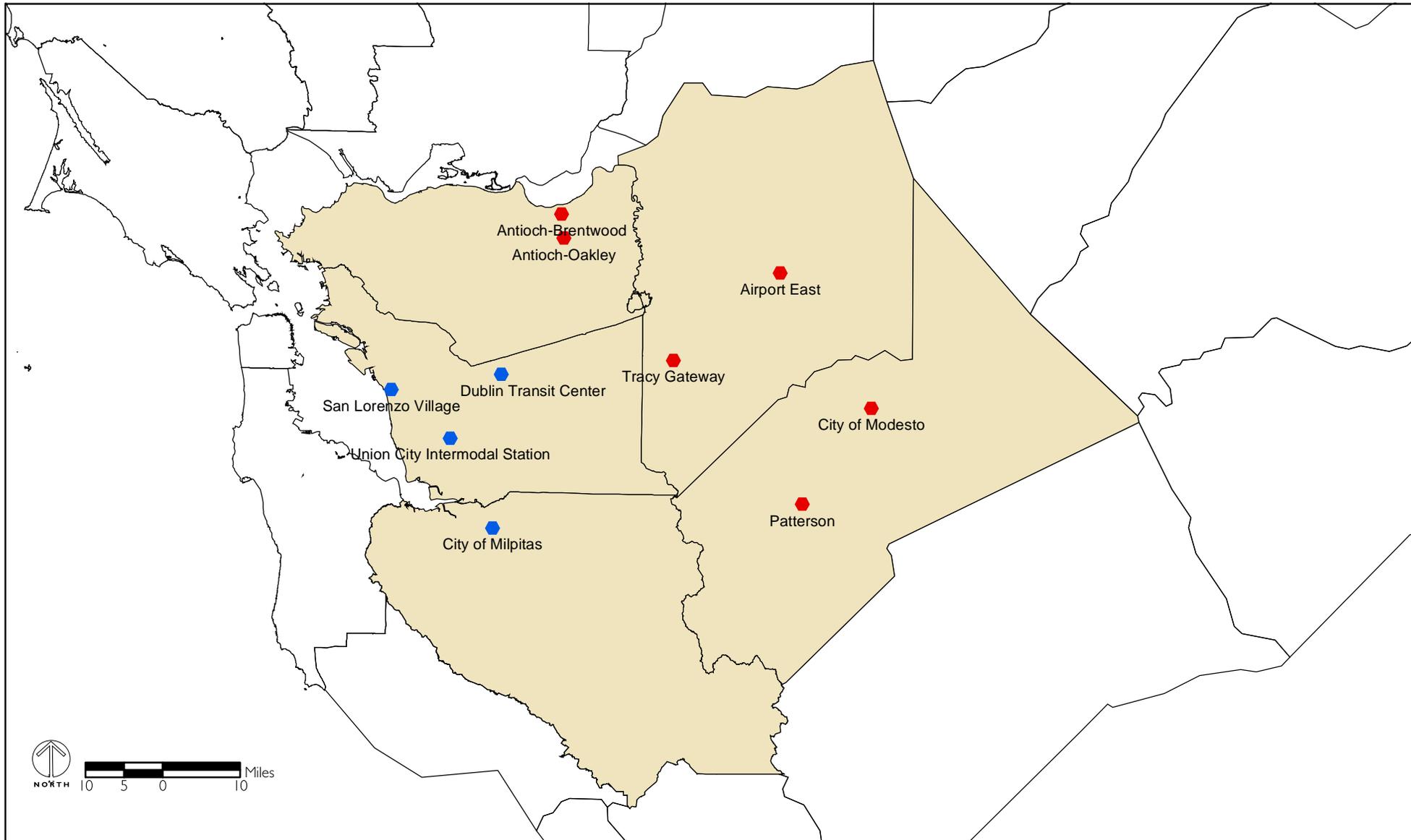


FIGURE 1

IRP JOBS/HOUSING OPPORTUNITY ZONES

INTER-REGIONAL PARTNERSHIP
 IRP STATE PILOT PROJECT EVALUATION

**INTER-REGIONAL PARTNERSHIP
STATE PILOT PROJECT EVALUATION**
INTRODUCTION

2 ANALYSIS OF THE JOBS/HOUSING BALANCE STRATEGY

As described in the introduction, the IRP sited an imbalance of jobs and housing between the Central Valley and ABAG regions as a major cause of problems, such as lack of affordable housing, poor air quality, lack of open space preservation and traffic congestion. As a means to mitigate this imbalance, the IRP decided on a strategy to encourage construction of housing in jobs-rich areas and economic development in jobs-poor areas.

This chapter evaluates the effectiveness of the jobs/housing balance strategy as a means to achieve regional planning goals. It also provides insights into the mechanics of creating a jobs/housing balance, and it considers ways to refine the jobs/housing balance strategy to achieve better results. Finally, it looks at the IRP's achievements in pursuing a jobs/housing balance.

Policy recommendations for the future of the IRP are made in Chapter 5, based on the analysis provided in this chapter.

A. Effectiveness of the Jobs/Housing Balance Strategy

This section discusses the effectiveness of the jobs/housing balance strategy as a means of realizing regional planning goals.

1. Commonly-Cited Reasons for Promoting a Jobs/Housing Balance

There are a number of reasons that planners cite for encouraging a jobs/housing balance. Several of these were identified by the IRP in its project goals:

- ◆ Achieving a more equitable jobs/housing balance.
- ◆ Increasing the supply of affordable housing in the Bay Area and jobs in the Central Valley.
- ◆ Improving the transportation network.
- ◆ Mitigating traffic congestion, long commute times, air and water pollution, and loss of open space.

Additional benefits that are sometimes ascribed to a jobs/housing balance include:

- ◆ Increasing economic vitality in existing communities.
- ◆ Increasing economic and social justice.
- ◆ Improving the quality of life in participating jurisdictions.
- ◆ Improving mobility and access.

This section evaluates the effectiveness of the jobs/housing balance strategy in achieving the goals and benefits listed above.

2. Evaluation

There is an extensive body of research evaluating the impacts of a jobs/housing balance, but little consensus about its importance. Authors on the subject fall into two general camps. Some studies conclude that a numerical balance of jobs and housing would have some effect on the goals outlined above. Other research indicates that, while policies that encourage jobs/housing balance do increase housing and transportation choices, attaining a numerical balance between jobs and housing may not be an effective stand-alone strategy to achieve planning goals.

Researchers agree that a balance of jobs and housing within a jurisdiction (or similarly-scaled geographic area) is a necessary condition to allow large numbers of people to live within walking distance of their work. They also agree that vehicle trips by people who live and work in the same jurisdiction, in which there is also a good mix of uses, are likely to be shorter than they are for residents of the same cities but who work elsewhere and for residents of less balanced communities.

However, there is considerable debate about the effectiveness of jobs/housing balance as a policy tool. Following are some of the points of contention.

- ◆ The availability of nearby housing may not be enough to persuade people to move close to their work.

- ◆ The strategy may not be effective in the short-term for housing-rich areas because of the time it takes for new employees to move into the existing housing stock.
- ◆ Jurisdictional balance may not be sufficient to improve regional commute patterns.
- ◆ Jobs/housing balance alone may not lead to benefits in peripherally related realms, such as open space preservation or housing affordability.

Each of these points are discussed more fully below, as are the benefits that are associated with a healthy jobs/housing balance.

a. Location Decisions

The benefits attributed to jobs/housing balance are contingent on the assumption that people, given the choice, will move closer to their places of work if they can. However, there are many factors, aside from the location of jobs or housing, that determine where people decide to live. These factors include:

- ◆ The relative costs of transportation and housing.
- ◆ The proliferation of multi-worker households.
- ◆ High turnover rates for most employment sectors.
- ◆ The unpredictable location of new jobs.
- ◆ The decline of central cities and an increasing number of central business districts within a given region.
- ◆ The rising importance of non-work trips.
- ◆ Amenities such as schools, parks and security.
- ◆ Aesthetic considerations such as wanting to live in an urban, rural or suburban environment.

This complicated array of factors indicates that a balance of jobs and housing alone would be insufficient to ensure that all, or even most, commuters would decide to live near their place of work.

Thus, according to a paper by Robert Cervero, published in the Journal of the American Planning Association, even if a city has a jobs/housing balance, it does not mean that the people who live in that city work there or vice versa.¹ In his book, *Stuck on Traffic*, Anthony Downs agrees with Cervero.² Downs bases his conclusions on studies of residents in master planned communities with a mix of jobs and housing, and on surveys from 22 San Francisco Bay Area communities. Both sets of study participants showed a high percentage (an average of 84 percent and 63 percent respectively) of people who chose to live some place other than where they worked.

Although workers do not decide where to live based solely on the location of their work, some households do weigh this factor more highly than others. The two studies cited above indicate that at least some people would choose to live closer to their place of work if the option were available. In particular, there is some evidence to indicate that single-worker, low- to medium-income households consider commute time or cost as a key determining factor in their location decisions.³

Still, the overall data shows that availability of jobs and housing near each other will not, for most workers, necessarily lead to a decision to live close to work.

b. Lag Time

The time that it takes for people to find new jobs and housing is another problem that minimizes the effect that jobs/housing balance has on commuting.

¹ Robert Cervero, *Jobs-Housing Balance Revisited: Trends and Impacts in the San Francisco Bay Area*, Journal of the American Planning Association, Autumn 1996. P. 498

² Anthony Downs, *Stuck in Traffic*, The Brookings Institution and The Lincoln Institute of Land Policy, 1992. pg. 103-104.

³ Jonathan Levine, *Rethinking Accessibility and Jobs-Housing Balance*, Journal of the American Planning Association; Spring 1998, Volume 64, Issue 2, pg. 133.

Particularly in housing-rich areas, most of the existing housing stock is occupied by people who commute out of the area for work. When jobs are created, many new employees are therefore hired from outside the area. While these people may desire to live close to their work, they can do so only if they are able to find housing. Thus it can take a number of years after a jobs/housing imbalance is corrected before overall commute patterns actually change. While there is no firm estimate of how long this turn over takes, planning professionals estimate a period of 10 to 20 years may be needed before enough jobs and housing have turned over for regional commute differences to manifest.

c. Commute Patterns

Given the two issues described above, it follows that a healthy jobs/housing balance does not necessarily lead to reduced commuting. In fact, research on this subject is not conclusive, and it too suggests that a jobs/housing balance may not be sufficient to minimize commutes.

Research indicates that cities with large shares of residents working in the community can be expected to average more work trips by foot and fewer by automobile. The larger the city, the greater is this impact. Suburban and rural communities see less of an impact and non-work trips are not necessarily affected by a balance of uses.⁴

The *Smart Growth Index 2.0*, a smart growth evaluation tool published by the U.S. Environmental Protection Agency, quantifies the potential impact of changing the jobs/housing balance in a jurisdiction or region on reductions of vehicle trips and vehicle miles traveled (VMT). This tool measures jobs/housing balance in terms of diversity. It indicates that vehicle trips and VMT are sensitive to changes in the diversity of land uses in an area, but not

⁴ Robert Cervero, *Jobs-Housing Balance Revisited: Trends and Impacts in the San Francisco Bay Area*, Journal of the American Planning Association, Autumn 1996, p. 501.

by very much. Sensitivity is defined in terms of elasticity. The relative elasticities of vehicle trips and VMT are described below.⁵

- ◆ Vehicle trips have an elasticity of -0.051 relative to the diversity of development. This means that for every one percent change in the diversity of land use in a jurisdiction there would be a corresponding 0.051 percent reduction in vehicle trips for people living and working in that jurisdiction.
- ◆ Vehicle Miles Traveled have an elasticity of -0.032 relative to the diversity of development. This means that for every one percent change in the diversity of land use in a jurisdiction there would be a corresponding 0.032 percent reduction in vehicle trips for people living and working in that jurisdiction.

Theoretically, if each municipality throughout the entire region had a balance of jobs and housing and people decided to live close to their work, it would have a significant impact on the number and length of work trips. However, when these ratios are applied to actual developments within a jurisdiction to determine their impact on the region as a whole, it becomes clear that even significantly increasing the jobs/housing balance in one or several jurisdiction would have a very small impact on the commute patterns of a region as a whole.

Some studies conclude that factors other than proximity have a more significant impact on people's travel behavior. Higher densities, a thoughtful mixture of land uses, design, more open circulation patterns, and pedestrian

⁵ Environmental Protection Agency, *Smart Growth Index Version 2.0 Indicator Dictionary*. Prepared by Criterion Planners/Engineers Inc. October 2002, p. 57. An elasticity is a measure of the percentage change that occurs in an dependent variable (VT or VMT) as a result of a percentage change in an influential variable (density, diversity, design or destinations). For example, if vehicle trips increase by 0.1 percent for each 1 percent increase in development diversity, then vehicle trips are said to have an elasticity of 0.1 with respect to diversity. If vehicle trips decrease by 0.05 percent for each 1 percent increase in diversity, then vehicle trips are said to have an elasticity of -0.05 with respect to diversity.

friendly environments are all associated with less car travel.⁶ These characteristics each have independent impacts on travel decisions and are most effective when combined. They are discussed in more detail in Section C.

d. Potential to Achieve Other Goals

There are reasons other than commute patterns to encourage jobs/housing balance. Brief explanations of the potential impacts on previously mentioned benefits are included in this section. They include:

- ◆ **Affordability and Economic Development.** There is little quantitative research that supports claims that jobs/housing balance is a major contributing factor to these benefits. Both housing affordability and economic development are largely determined by market forces.
- ◆ **Air and Water Quality.** Improvements in air and water quality may accrue from reductions in vehicle travel, but there are other important determinants. These include stationary sources of pollution, such as factories, and the number of acres of impermeable surfaces that contribute contaminants to and increase run-off.
- ◆ **Preservation of Open Space and Prime Agricultural Land.** Open space and agricultural land preservation is affected more by the density and location of development than by the diversity of uses in developed areas.
- ◆ **Mobility and Access.** Mobility and access does seem to be sensitive to changes in the diversity of uses at the locations where transit is available but far more important factors include the type and frequency of service provided, extent of the transportation system, the range of destinations served and the density of development in and around those destinations.
- ◆ **Quality of Life.** Quality of life is best described as a combination of the factors that have already been discussed plus a number of other

⁶ Summarized by Randall Crane, *The Impacts of Urban Form on Travel: A Critical Review*, Lincoln Institute of Land Policy Working Paper, 1999, p. 24.
www.sactaqc.org/resources/literature/landuse/Urban_Form_Travel.htm

things such as safety and public services. It is difficult to support claims that a mix of uses can improve quality of life because it is an inherently relative concept. The extent to which it achieves the other benefits described above may be considered a proxy measurement.

- ◆ **Economic and Social Justice.** Research concerning economic and social justice and urban form has identified “spatial mismatch,” or the distance between where low income people live and where they work, as a significant problem. However, the causes for this mismatch are more often associated with racial and economic discrimination than the availability of housing per se. A balance of jobs and housing does not address discrimination at all. A policy that focuses only on housing near jobs but does not provide affordability programs would be insufficient to meet the economic needs of the population faced with a lack of affordable housing.

It appears from the research that jobs/housing balance may have a small effect on some of the benefits that the IRP is trying to achieve, but that it is neither the most important factor nor the most effective.

3. Benefits of Jobs/Housing Balance

Despite the issues outlined in the sections above, there are a number of benefits from jobs/housing balance. These are:

- ◆ **Good Placement of Regional Housing Needs Assessment (RHNA) Housing Allocations.** The RHNA is a State-mandated process to address the need for and planning of housing across a range of affordability levels in all communities throughout the state. Each jurisdiction within the Bay Area (101 cities, nine counties) is given a share of the anticipated regional housing need. The regional housing need is specified by the California State Department of Housing and Community Development (HCD) and finalized through negotiations with the council of governments (COG) in the region.

A jobs/housing balance program is useful for determining the housing needs of the region. Areas defined as housing-poor can become primary locations for required housing, thus meeting jurisdictional needs.

- ◆ **Choice of Residential and Work Locations.** Jobs/housing balance provides more choices about land use and transportation. Most new developments in the United States are built using a single use model, meaning that neighborhoods or districts provide either housing or jobs but rarely both. Increasing the number of neighborhoods with residential and employment uses in close proximity would increase the number of mixed use locations, and thus would increase the number of choices for people who prefer such environments.

Some researchers argue that providing this choice is a benefit in its own right. For example, a study, conducted by Jonathan Levine and published in the *Journal of the American Planning Association*, does not expect transportation benefits but argues that, even without any other benefits, policies that encourage jobs/housing balance are worthwhile solely because they provide a choice.⁷

- ◆ **Mix Provides Economic and Social Vitality.** Many studies in recent years have acknowledged the importance of a mix of uses in supporting the economic and social vitality of a city. Each type of land use attracts people at different times of the day and night. When uses are separated in conventional subdivisions and commercial districts, activity only takes place during certain times of the day, leaving stretches of time when streets and other public places are empty. Mixing uses provides a 24-hour environment where there are always some people coming and going. This activity provides a liveliness and security that single-use districts lack. Bringing residents closer to commercial uses also provides a ready market for retailers that contributes to the economic vitality of an area.

⁷ Jonathan Levine. *Rethinking Accessibility and Jobs-Housing Balance*, *Journal of the American Planning Association*. Spring 1998. Volume 68, Issue 2, p. 133 and Randall Crane, *The Impacts of Urban Form on Travel: A Critical Review*. Lincoln Institute of Land Policy Working Paper. 1999.

4. Conclusions

The research and trends reviewed above indicate that jobs/housing balance is a necessary but insufficient condition of smart growth. Providing housing near jobs provides people with the choice of living close to work. Reducing the length of the work trip reduces the time spent commuting and may provide the option to use other modes of transportation. However, given the many factors involved in housing and commuting choices, and the increasingly complex nature of urban areas it is unlikely that jobs/housing balance alone is sufficient to effect the changes desired by the IRP.

The available research indicates that creating a jobs/housing balance may be ineffectual without other inducements to live closer to work, such as more amenities, lower cost housing and increasing the cost of commuting. Additionally, achieving a jobs/housing balance in individual jurisdictions only impacts the commute patterns of those jurisdictions.

The complexity of achieving balance in every jurisdiction in a region becomes overwhelming when the local nature of land use decision-making is considered. Other strategies with the same aims may be easier to implement and should be considered either in conjunction with jobs/housing balance or to replace it. Chapter 5 draws on the information in the above section to make recommendations about additional strategies the IRP could pursue to improve the effectiveness of the State Pilot Project.

B. Achieving Jobs/Housing Balance

The preceding section discusses the pros and cons of pursuing jobs/housing balance. This section provides information about the mechanics of creating balance in different types of communities and infers some policy implications from the insights. The following information focuses on the different processes that jobs-poor and housing-poor areas must go through to achieve bal-

ance. Specific recommendations for implementing these changes are provided in Chapter 5.

1. Housing-Rich Areas

According to research on jobs/housing balance, jobs tend to follow housing. That is, market forces tend to pull new employment into housing-rich areas which over time leads to a balance of jobs and housing. This research suggests that encouraging economic development in housing-surplus areas may not be necessary as this kind of development is likely to occur on its own.⁸ Initially, the economic development that occurs will provide lower paying retail or warehousing jobs. Higher paying office and industrial jobs may follow to get closer to labor pools as these move further away from the central city. This is a phenomenon that is clearly visible in most urban areas in the United States. The relatively low cost of automobile ownership has increased the speed at which the move from central city to suburb can take place.

There is a caveat to these findings, however: job growth may take place at a rate that is too slow for community needs. The rate at which jobs follow housing is determined by many factors, including the quality of available infrastructure, the types and needs of businesses that are in the area or interested in moving to the area, and the general health of the market. Areas with a lack of infrastructure or a distressed economic market may require incentives to attract businesses that would otherwise not consider these locales.

Incentives must be carefully planned using strong economic trend information and coordination among jurisdictions to avoid unnecessary and potentially harmful competition. Economic development incentives must also be matched by incentives to create housing in jobs-surplus areas to avoid putting additional pressure on housing prices. The coordination necessary to balance competition and meet both housing and job growth need is very difficult in the U.S. where land use decisions are almost entirely under the control of local jurisdictions.

⁸ Robert Cevero, *Jobs-Housing Balance Revisited: Trends and Impacts in the San Francisco Bay Area*, Journal of the American Planning Association, Autumn 1996, p. 499.

As discussed in Section A, providing new jobs in housing-rich areas is not enough to ensure that local residents will begin working closer to home, in part, because of the time lag that occurs in moving new employees into existing housing stock. In order to be successful in the short-term, economic development incentives programs need to take this lag into account. One way to deal with the problem is to encourage housing construction at the same time that economic development is taking place.

Patterson and Tracy are two cities in the IRP where such a program to encourage concurrent housing and job growth exists. Both places have strong housing markets, currently populated, in large part, by commuters. Additional housing could easily be included in the Tracy Gateway and Patterson Business Park projects to accommodate new workers. This would avoid the need for new employees to commute from out of the area.

2. Job-Rich Areas

Although housing-rich areas attract jobs over the long run, the converse is not true for jobs-rich areas. Employment centers do not tend to attract housing. Additionally, housing-rich areas that add jobs tend to continue to increase their employment uses past the point of balance.

There are many reasons for a tendency towards an imbalance of jobs. While there are many market incentives for economic development and job creation, new housing is costly, fiscally unattractive for jurisdictions and is often perceived by existing residents as reducing the quality of life in their community. Zoning policies often discourage a range of housing types, particularly multi-family units, and increase the cost of construction. Higher costs are then passed on to consumers. Subsidized housing projects suffer the worst from restrictive zoning policies. Statewide tax policies also often discourage the construction of housing because local jurisdictions can raise significantly higher revenues from non-residential uses.

Job-rich areas face many more hurdles to providing housing than do housing-rich areas in providing jobs. As a result, aggressive policies are needed to create and maintain a balance between jobs and housing.

3. Policy Implications

The analysis in the preceding two sections indicates that jobs-housing balance can best be achieved through housing policies in housing-poor areas. Housing incentives should concentrate on encouraging permanently affordable housing. In addition, incentives and policies can be developed to encourage local jurisdictions to review and change policies that discourage housing construction. Along with statewide fiscal reform, local land use reform would go a long way towards encouraging the construction of housing where the market demand exists.

Incentives may also be used in jobs-poor areas but they are less effective than housing incentives. As discussed in Section A, it is important that job growth incentives be accompanied by incentives for parallel construction of housing to mitigate the time lag that occurs when new employment uses are brought into existing housing centers. In addition to this strategy refinement, a key goal of economic development incentives should be to encourage a higher quality of jobs in these areas. Such incentives should be combined with housing incentives so that new employees can be accommodated near their place of work. Such incentives, however, are most effective at the local level and are not recommended for tackling regional imbalances of jobs and housing.

C. Jobs/Housing Strategy Refinements

Given the findings in Sections A and B, there are several refinements to the jobs/housing strategy that can make it a more effective tool to reaching the goals outlined for the IRP. Although these refinements will not make jobs/housing balance a panacea for planning issues, their implementation would make jobs/housing balance strategies more effective than they might otherwise be.

1. Jobs/Housing Match

Throughout this chapter, the concept of jobs/housing balance has been discussed in terms of a numerical balance of jobs and housing. Another key factor, which many would argue is more important than numerical balance, is a match of job types to the skills of residents living nearby.

Establishing economic development programs to match local skill levels to business is a complicated process requiring an in-depth knowledge of the skills of local residents and an understanding of how the market conditions in a given area might be tailored to the needs of businesses that require those skills. Marketing programs can be developed to inform businesses of the pool of qualified workers that are available in the housing-rich areas.

Businesses with the types of jobs desired and the ability to thrive in local conditions also need to be identified. Once these businesses are targeted, an analysis of their site needs should be conducted and locations identified that meet their needs. Investments or incentives to reduce construction costs may also be necessary to provide the necessary infrastructure.

As mentioned above, new businesses may not necessarily employ local residents. Once firms locate in housing-rich areas, it may be necessary to adopt policies encouraging new employers and contractors to search for skilled workers locally. Additionally, policies to encourage workers from outside the area may be required.

In areas where the skill levels of local area residents do not match the needs of businesses that might relocate, work force development programs may be developed that encourage institutions to educate and train residents for targeted employment. These types of programs would be most useful if they were tied to a regional job/housing balance strategy adopted by all jurisdictions in participating counties.

2. Adjacency and Mix of Uses

In addition to numerical balance and match of jobs and housing, the proximity of employment and residential uses to each other is very important. Proximity reduces the distance between home and work destinations and thus the length time spent commuting. Additionally, a mix of uses increases economic vitality because different uses attract people at different times of the day and night, creating a lively and attractive destination, as mentioned previously.

A mix of uses can be accomplished through land use and zoning policies that allow residential and commercial development in the same area. This is largely a local land use issue and difficult to encourage on a regional scale. However, some approaches that have been used include:

- ◆ Links between transportation funding to local land use policies, such as are used in the State of Oregon.
- ◆ Incentive programs that provide funding for jurisdictions interested in revising land use regulations to allow mixed use, such as the Metropolitan Transportation Commission's Transportation for Livable Communities program.

3. Proximity to Transit

The effectiveness of public transportation is often linked to the density of uses that are located within walking distance, generally between one quarter and one half mile, of transit stations. The greater number of people who live and work within walking distance of transit the more people are likely to use the service. Close proximity provides access to a wider range of commuters, including people who cannot drive because they are too young, too old, do not have sufficient income to own a car or have disabilities that prohibit the operation of a vehicle. Proximity also reduces the time required for a trip using public transit.

The same types of programs described in the section on adjacency and mix of uses can be used to encourage land uses in close proximity to transit.

D. Achievements of the Jobs/Housing Balance Strategy

While a jobs/housing balance strategy appears insufficient to achieve IRP goals, pursuing the strategy has had benefits. Three of the achievements of the program are discussed here.

1. Tested the Jobs/Housing Balance Hypothesis

Theories about jobs/housing balance have been a significant part of urban planning research over the last decade. Only a handful of regions, however, have implemented programs to test the theories. While it appears now that policies designed to encourage jobs/housing balance are not as effective as was hoped, it is important that they have been tested. Implementation is a critical step in proving a hypothesis. Without this step, it would be impossible to learn from and perfect potential strategies to better the urban environment. Several lessons have been learned that can improve the implementation of such strategies in the future. Some of these strategies were discussed in Section C. Some suggestions for future strategies for the IRP are provided in Chapter 5.

2. Opportunity Zones

In the process of testing the jobs/housing balance policy strategy, the IRP State Pilot Project created ten Opportunity Zones that have the potential to generate marginal benefits on jobs/housing balance, especially in places like Tracy and Patterson.

The performance of the Opportunity Zones is discussed in detail in Chapter 3. However, it is important to note here that if these sites are built out they will make some progress towards creating jurisdictional jobs/housing balance. They may also have the ability to make a small shift in the regional patterns of development. Although such marginal shifts are not large enough to accomplish the goals outlined by the IRP, they do provide models for other communities exploring ways to improve development and commute patterns.

3. Discussion of Issues Related to Jobs/Housing Balance

The issues that the IRP is striving to address are of grave importance, regardless of whether or not the specific strategy of developing Opportunity Zones to create regional jobs/housing balance has been successful. The IRP State Pilot Project has succeeded in bringing regional prominence to the discussion of these issues. Without this discussion, and the good will that has been generated between the participating counties, issues such as transportation reform and mixed use would not have received the level of scrutiny that they are currently experiencing.

The importance conveyed to these issues by the regional discussion can provide the tools and political will to devise new strategies to tackle the problems that are facing the Central Valley and ABAG regions.

**INTER-REGIONAL PARTNERSHIP
STATE PILOT PROJECT EVALUATION**
ANALYSIS OF THE JOBS/HOUSING BALANCE STRATEGY

3 POTENTIAL OUTCOME OF OPPORTUNITY ZONE DEVELOPMENT

The chapter briefly discusses the data collection effort currently being conducted by the IRP. Data collected by IRP staff will be included in the final evaluation report to the Department of Housing and Community Design as an appendix to this document. As requested by IRP staff, the bulk of this chapter provides a discussion of the potential impact that full development of the Opportunity Zones would have on the jobs/housing balance in the two participating regions.

A. Evaluation

AB 2864 requires the IRP to assess the performance of Opportunity Zones by comparing the gap between jobs and housing (as measured by the ratio between the number of jobs and the number of housing units in a local jurisdiction) in a designated IRP Opportunity Zone before an Opportunity Zone project has been approved and after it has been completed. The legislation requires that the before and after ratios be compared to an optimum balance of jobs and housing, defined as one and one-half jobs to one housing unit. The IRP are required to collect the following data to determine whether the jobs/housing imbalance has been mitigated:

- ◆ The number of building permits issued as provided by the California Industrial Research Bureau
- ◆ The number of jobs generated, as determined by the Employment Development Department

To meet these legislative requirements, IRP hired Design, Community & Environment (DC&E) to develop a methodology to gather data on the progress and impact of development in the Opportunity Zones. The methodology for the data gathering and monitoring process has been fully described in the *Jobs/Housing Opportunity Zone On-Going Monitoring Program Methodology*, submitted to the IRP on March 8, 2004.¹

¹ A copy of this document is available from IRP staff.

IRP staff has collected data for 2003, the first full year for which data is available since the designation of the Opportunity Zones. The data collected is provided in the appendix to this report and includes:

- ◆ **Population:** Total number of residents in defined geographic area.
- ◆ **Dwelling Units:** Total number of dwelling units.
- ◆ **Employment Rate:** Number of residents employed in defined area.
- ◆ **Permitted Residential Development:** Total number of residential permits issued. (Calendar Year)
- ◆ **Permitted Non-Residential Development:** Total number of non-residential permits issued. (Calendar Year)
- ◆ **Open Space Preservation:** Percent of study area dedicated to open space, agriculture, recreational land.
- ◆ **Urbanization of Land:** Total amount of land (in acres) urbanized.
- ◆ **Average Commute Time:** Average commute time of residents or employees in study area.

Data collection has been done for three levels: the Opportunity Zones, the jurisdictions where Opportunity Zones are located and for each of the five participating counties.

B. Potential Future Impacts of Build-Out of the Opportunity Zones

In addition to the data collected by the IRP on actual development described in Section A, this chapter explores the potential impacts of the IRP State Pilot Project if all the possible development proposed for the Opportunity Zones were to take place.

1. Discussion

Determining future impact requires making assumptions about how the policy will affect housing and job markets, and using projections and build-out estimates to approximate the numbers of jobs and housing that will exist in 2025, when the Opportunity Zones are assumed, for the purpose of analysis, to be completely built out. There are many uncertainties involved in this kind of analysis, which are discussed in the next section. The last section in this chapter describes the analysis that was conducted and its results.

The IRP State Pilot Project was created in the hope that development incentives in designated areas would encourage a shift in current development patterns, effecting more housing construction in the jobs-rich Bay Area and more job creation in the housing-rich Central Valley and eastern Contra Costa county. Ultimately, the project goal was a ratio of 1.5 jobs to each housing unit for every jurisdiction in the two regions. Determining the effectiveness of the Pilot Project to accomplish these goals requires answering several questions, including:

- ◆ Will incentives actually attract economic development to the Central Valley and housing to the Bay Area?
- ◆ Will they attract the amount of development proposed by Opportunity Zone applicants?
- ◆ Would Opportunity Zone development take place in addition to current development projected in these regions or would it shift development that would already be taking place to a new location?
- ◆ Would shifting the amount of development proposed in the Opportunity Zones be enough to improve the ratio of jobs-to-housing between the Central Valley and ABAG counties?
- ◆ Would the ratio have been worse without the Opportunity Zones?

The first two questions regarding the use of incentives and their ability to attract development have been addressed in the preceding chapter. The third question is impossible to determine without full implementation of the program. To answer the last two questions, assumptions have been made about the policy impacts from

the State IRP Pilot Project, as described in the methodology discussion, which follows.

2. Methodology

The ideal result from the IRP State Pilot Project would be that:

- ◆ No new jobs are created in the Opportunity Zones beyond those projected by the Counties,
- ◆ Opportunity Zones will be responsible for a shift in job creation from Bay Area to Central Valley locations, and
- ◆ Opportunity Zones will shift housing construction from the Central Valley to the Bay Area

In the analysis below, it will be assumed that these outcomes would in fact occur as a result of Pilot Project policies, in order to determine the maximum potential impact of the Opportunity Zones to shift development patterns. Since available projections already include development proposed for the Opportunity Zones, the following extreme assumptions will be made about the reallocation of jobs and housing that would occur if the State Pilot Project had never existed, based on the policy hypothesis just described:

- ◆ Jobs proposed for Opportunity Zones in the housing-rich counties of Contra Costa, San Joaquin and Stanislaus are shifted to Alameda and Santa Clara Counties.
- ◆ Housing proposed for Opportunity Zones in the jobs-rich counties of Alameda and Santa Clara are shifted to Contra Costa, San Joaquin and Stanislaus Counties.

Contra Costa County is evaluated as a housing-rich county based on its current jobs-to-housing ratio of 1.05.

3. Data Used

Since the circumstance being evaluated has not yet taken place, the best data available to estimate potential future impact are:

- ◆ Build-out numbers from the development proposal from each jurisdiction's Opportunity Zone application submittal to the IRP. These build-out projections provide a best guess estimate for the capacity for each Opportunity Zone. Table 2 shows the proposed numbers of housing units and jobs for the Opportunity Zones and how these would be reallocated if the Opportunity Zones did not exist.
- ◆ Current projections, as of June 2004, for jobs and housing growth in each of the five counties as submitted by the Association of Bay Area Governments, and Stanislaus and San Joaquin Council of Governments using the year 2000 as the base year.

These two sources are used because they provide best guesses for what will happen over the next 25 to 30 years given current development policies and market conditions.

4. Results

The extreme assumptions described above were used to reallocate development based on a scenario in which Opportunity Zones had not been created. The no Opportunity Zone scenario shows a small deterioration of county and regional jobs-to-housing ratios relative to the county projections. The impacts on jobs-to-housing ratios in the five counties are presented in Table 3. Progress is measured by movement in the ratio of jobs-to-housing towards the ideal ratio of 1.50.

The average deterioration without the Opportunity Zones is a movement of 0.08 away from the ideal of 1.50. The jobs-rich counties of Alameda and Santa Clara each see a shift of 0.07 away from that ideal. Housing-rich counties of Contra Costa, San Joaquin and Stanislaus Counties see shifts of 0.07, 0.13 and 0.06, respectively. These results suggest that San Joaquin County would see the most deterioration of its jobs-to-housing units ratio, without the substantial number of jobs proposed for Opportunity Zones.

It is important to note that the no Opportunity Zone scenario assumes that the Opportunity Zones have created the maximum shift of economic development from the Bay Area to the Central Valley and housing from the Central Valley to the Bay Area. In the scenario without Opportunity Zones, all of the economic

**INTER-REGIONAL PARTNERSHIP
IRP STATE PILOT PROJECT EVALUATION
POTENTIAL OUTCOME OF OPPORTUNITY ZONE DEVELOPMENT**

TABLE 2 REALLOCATION OF JOBS AND HOUSING WITHOUT OPPORTUNITY ZONE DEVELOPMENT

	Dwelling Units		Jobs	
	Proposed Opportunity Zone Development	Reallocated Development without OZ	Proposed Opportunity Zone Development	Reallocated Development without OZ
Alameda	3,307	-3,307	10,197	36,643
Santa Clara	4,860	-4,860	2,418	43,198
Jobs-Rich Sub Total	8,167	-8,167	12,615	79,841
Contra Costa	184	2,493	28,835	-28,835
San Joaquin	0	3,328	39,506	-39,506
Stanislaus	0	2,346	11,500	-11,500
Housing-Rich Sub Total	184	8,167	79,841	-79,841

¹ This analysis assumes that all of the new jobs located in the ABAG Opportunity Zones shifted from other locations within the same county. Jobs in Central Valley Opportunity Zones are assumed to have moved from ABAG locations.

TABLE 3 PROJECTED IMPACT ON JOBS-TO-HOUSING RATIOS

	County Projection	County Projection	Estimated Projection	Change
	2000	2025	w/o OZ 2025	
Alameda	1.44	1.60	1.67	0.07
Santa Clara	1.93	1.93	2.01	0.07
Jobs-Rich Sub Total	1.69	1.78	1.85	0.07
Contra Costa	1.05	1.14	1.07	0.07
San Joaquin	1.03	0.84	0.71	0.13
Stanislaus	1.20	1.12	1.06	0.06
Housing-Rich Sub Total	1.11	0.96	0.90	0.06

development that is projected for the Opportunity Zones is thus shifted to the jobs-rich counties and the housing growth is shifted to the housing-rich areas. However, It is much more likely that, though some of the jobs proposed for the Central Valley Opportunity Zones would locate in the Bay Area without the influence of the Opportunity Zones, many of the jobs proposed for the Opportunity Zones would have been created in other jurisdictions in the Central Valley or would not have been created at all. It is also unlikely that all of the housing proposed in the Bay Area Opportunity Zones would be built in the Central Valley without the Opportunity Zones.

Therefore, the most likely result is that some percentage of the jobs and housing now proposed for the Opportunity Zones would shift regions, as a result of the Pilot Project. Therefore, movement in the jobs-to-housing ratio shown in Table 3 would be smaller than is projected using these extreme assumptions.

Though this analysis gives an outward bound for the potential of the IRP State Pilot Project to shift jobs-to-housing ratios. The incremental improvements shown by using these drastic assumptions indicate that Opportunity Zones have some potential to shift development patterns but that they are not sufficiently large to have a significant effect on a regional scale.

INTER-REGIONAL PARTNERSHIP
IRP STATE PILOT PROJECT EVALUATION
POTENTIAL OUTCOME OF OPPORTUNITY ZONE DEVELOPMENT

4 PILOT PROJECT DESIGN AND IMPLEMENTATION

This chapter describes and evaluates five major components of the IRP State Pilot Project:

- ◆ Overall Opportunity Zone Strategy
- ◆ Geographic Information System
- ◆ Opportunity Zone Selection Process
- ◆ On-going Monitoring of the Opportunity Zones
- ◆ Opportunity Zone Incentives

Each section describes achievements of the IRP Pilot Project related to the subject at issue. Where appropriate, shortcomings are identified. Recommendations for future programming are included in Chapter 5 of this report.

A. Overall Opportunity Zone Strategy

The Jobs/Housing IRP State Pilot Project, like Enterprise Zone and Redevelopment Area programs, is based on a strategy of focused development, in which certain jurisdictions are selected from the participating regions to receive incentives to encourage a desirable outcome, such as jobs/housing balance. Once selected, only the targeted areas are eligible for the incentives.

This section provides an analysis of the effectiveness of this focused development strategy as a means to change the ratio of jobs-to-housing in the Central Valley and ABAG regions.

1. Background Information

As related in the introduction, IRP members and staff advocated successfully for legislation to create the IRP State Pilot Project in order to focus economic development in housing-rich areas and housing in job-rich areas. To accomplish this objective, the IRP State Pilot Project allowed for creation of Jobs/Housing Opportunity Zones where such focused economic development or housing production could be encouraged by the targeted use of in-

centives. In July 2002, the IRP designated ten Opportunity Zones distributed throughout the five participating counties.

2. Evaluation

As discussed in Chapter 3, Opportunity Zones may be an effective strategy for improving jobs or housing under construction within limited geographical areas. However, as noted in Chapters 2 and 3, the strategy is not necessarily effective at the regional or sub-regional level, since the amount of change in regional jobs-housing balance that can be affected is minimal. Since the goal of the IRP is not just to balance jobs and housing in a few cities, but rather to create a balance of jobs and housing on a regional scale, other strategies might be more appropriate.

B. Geographic Information System

AB 2864 identifies Geographic Information System (GIS) analysis as “...a crucial tool for use in determining the location of Jobs/Housing Opportunity Zones.” This legislation required the IRP to develop a GIS to evaluate potential Opportunity Zones and track their progress once the Pilot Project got underway. This section reviews and evaluates the GIS developed for the Pilot Project.

1. Background Information

At the outset of the Pilot Project, IRP staff developed five goals for the GIS:

- ◆ To create an integrated GIS that meets the requirements of the enabling legislation and that can be specifically used in the Opportunity Zone selection process.
- ◆ To promote coordination of GIS data for decision-making and planning among the five counties of the IRP.
- ◆ To create a GIS that is reliable and available to IRP participants and the public.
- ◆ To provide GIS services to the IRP.

- ◆ To use the GIS tools to support IRP jurisdictional goals for the Pilot Project.

IRP staff worked with each participating Council of Governments (COGs) to determine the types of data available. Once collected, there was an extensive process to make the different data sets compatible.

After integrating the data from each individual source into a compatible system, IRP staff worked to determine the most effective way to use the information to identify potential Opportunity Zones and assist with the selection process. Staff determined that spatial modeling would be the most effective way to use the data. IRP's spatial modeling process included the following steps:

- ◆ Determine important data characteristics and convert them into items that can be measured based on IRP goals. For instance, relationship of any given location to a transit station was identified as an important data characteristic. This data characteristic was measured for each location in terms of its "distance from" a transit station.
- ◆ Set maximum and minimum "threshold" measurements, such as "eligible locations must be a maximum of one mile from the nearest transit stop," or "eligible locations must have a minimum population of 50,000." Threshold measurements serve to limit the areas under consideration to those meeting Opportunity Zone requirements.
- ◆ Rank individual locations by assigning scores to measurement categories (e.g. distance from transit or population) that meet threshold requirements.

The spatial modeling procedure created a series of maps that were used to rank locations throughout the five-county region according to their suitability as Opportunity Zones. This information was made available to the participating COGs for the evaluation process, described below, and to the public on the ABAG website.

2. Evaluation

The process that was used by the IRP staff to create the GIS was thorough and well executed. Data analysis provided an adequate picture of the development conditions, constraints and opportunities to identify sites that would be well suited for Opportunity Zone development.

a. Overall GIS

The creation of the IRP GIS has resulted in substantial benefits for the COGs and the public at large, including:

- ◆ Providing the foundation for an inter-regional system of data that could be used to analyze development trends and create a bi-regional jobs/housing and economic development strategy.
- ◆ Requiring ABAG, StanCOG and SJCOG to begin looking at the types of data they have available and develop mechanisms for sharing that data.
- ◆ Providing the public with a useful tool to understanding the development trends taking place in their region.

Despite these generally positive results, there are three aspects of the GIS system developed for the Pilot Project that could be improved:

- ◆ The level of data detail
- ◆ Geographies for data analysis
- ◆ Use of GIS criteria

The level of data detail and geographies for data analysis are discussed in this section. The use of GIS criteria are discussed in Section C, which covers the Opportunity Zone selection process, because these criteria were used as a tool for selecting the Opportunity Zones.

b. Level of Data Detail

To create the GIS, data was collected from jurisdictions, participating COGs and state sources. The smallest level at which data was available was the Census tract. This meant that the GIS could not be used to track progress in the Opportunity Zones because available data was not sufficiently detailed to provide information at the Opportunity Zone scale.

Given the available data, IRP staff developed the GIS to provide a broad brush analysis tool to determine the best places for Opportunity Zone development. This analysis was adequate for identifying locations that could accommodate housing or job growth but did not provide more in depth information that might have been useful for evaluating how well these sites met all the IRP goals. Parcel level data regarding the density and mix of existing development would have also provided sufficient detail to provide a baseline to monitor the progress in the Opportunity Zones. More detailed data could also provide useful information as the IRP re-evaluates its current strategies and be used to inform a regional economic development strategy. Parcel-level data has been collected in the Sacramento region (SACOG), and is proving very valuable information for regional planning efforts there.

c. Geographies for Data Analysis

Most studies on jobs/housing balance use the jurisdiction and county scales to evaluate the jobs/housing balance, in part, because there is a considerable amount of data available at these scales. However, there are several problems associated with the use of these geographies in terms of jobs/housing balance. These include:

- ◆ Jurisdictional boundaries often are lines on a map that separate adjacent and contiguous tax districts but do not provide information about commute patterns, and housing and employment location decisions.
- ◆ Counties, on the other hand, are made up of several sub-regional markets each with its own jobs/housing balance. For instance, while western Contra Costa County is considered a jobs-rich area, eastern Contra Costa County is largely residential and should be considered a housing-rich area.

To address this issue, Design, Community & Environment (DC&E), proposed to use “Jobs/Housing Analysis Areas” (JHAA). JHAAs are sub-regional areas that represent geographically unified districts in which people should reasonably be able to live and work if there were an ideal balance of jobs and housing. These overlapping commute areas extend out from a cen-

tral job center to include housing within approximately a half-hour commute or less. Due to the lack of available and consistent data at this scale, IRP staff has decided not to collect data at this geographical scale.

JHAAs were used in the nine-county Bay Area for the Regional Livability Footprint project. These areas have not been formalized as data collection areas in either ABAG or Central Valley counties. Some data is available from the U.S. Census but only every ten years, and thus, data gathering for these areas is difficult and costly. Thus, the scale at which data is collected is a difficult issue to address, but none-the-less, an important one to solve.

C. Opportunity Zone Selection Process

The selection of the Opportunity Zones was a key part of the overall Pilot Project process because the degree to which Opportunity Zone projects meet IRP goals is the most important indicator of success for the Pilot Project. This section describes and evaluates the selection process.

1. Background Information

The Opportunity Zone selection process incorporated three distinct phases. The first phase included a review of the legislative requirements for the Opportunity Zones. The second phase was the development of the GIS criteria, discussed above. Finally, the zone characteristics, identified in the development of the GIS, were evaluated and augmented by IRP members with additional qualitative criteria to create a final set of criteria for zone selection, as presented below.

AB 2864 established basic eligibility criteria for Opportunity Zone sites. According to the legislation, Opportunity Zones must be:

- ◆ Between 50 and 500 contiguous acres.
- ◆ Comprised of 50 percent or more underutilized and/or vacant land.

- ◆ Suitable for urban use, meaning they can be developed without significant impact on natural resource areas and zoned for residential, commercial or industrial land use, and where urban services are available.
- ◆ Created for the purpose of encouraging jobs in housing-surplus areas or housing in jobs-surplus areas.
- ◆ Eligible to receive incentives, subject to negotiation with state agencies.
- ◆ Intended to support development that will improve the jobs/housing balance in the five-county IRP area.

The Opportunity Zone characteristics described in AB 2864 were modified by IRP staff to create detailed draft Opportunity Zone selection criteria. In April 2001, IRP staff developed a draft Jobs/Housing Opportunity Zones Request for Proposal (RFP), including these draft criteria. This RFP was circulated to IRP members as well as public and private economic development practitioners and housing developers not affiliated with the IRP. As a result of comments from these reviewers, the initial draft selection criteria were revisited and adjusted in the following areas:

- ◆ **Timeframe for Development.** In light of the need for measurable results at the end of the remaining three years of the pilot program, economic developers who reviewed the RFP recommended that projects be required to have a construction schedule that would be completed within five years. After some discussion with the IRP members, this timeline for project completion was extended to allow projects that might take more than five years to complete.
- ◆ **Threshold Measurements.** The threshold measurements devised for the GIS analysis to set maximum and minimum eligibility requirements, and described in Section B, above, were removed from the evaluation process to widen the pool of jurisdictions that would be eligible for the Pilot Project.
- ◆ **Scoring Criteria.** A scoring system was created to weight the criteria based on relative importance. Initially, staff recommended a total possible score for a project of 70 points, 35 percent of which would be based on GIS criteria and 65 percent on qualitative criteria. Over the course of

several discussions, the scoring system was adjusted to a total of 125 points, with 20 percent to be determined by GIS analysis. The remaining 80 percent were based on a qualitative analysis by an Evaluation Committee, described below.

- ◆ **Requirement for Infrastructure and Transit.** AB 2864 required that Opportunity Zones be located where “urban services are available.” This phrase was interpreted broadly to include developing areas where the Opportunity Zone designation would “cause the necessary infrastructure to be secured and completed.” This interpretation opened the field of applicants, particularly in the Central Valley, where several candidate sites did not possess existing infrastructure.

The final scoring criteria for the program is presented in Table 4.

The Evaluation Committee, mentioned above, was made up of a member of the IRP from each participating COG. This group ranked the proposals received based on the GIS analysis of each site, provided by IRP staff, and the qualitative criteria described. In practice, each COG determined which two proposals best fit its goals and submitted these recommendations to the larger committee, which then made the final selection.

There were three rounds of evaluation, by the Evaluation Committee to select the Opportunity Zones. Table 5 lists all of the proposals that were submitted to the IRP, the scores each received from both the GIS and the Evaluation Committee evaluations, and whether or not they were selected as Opportunity Zones.

In the first round, thirteen proposals were submitted. The evaluation of these applications resulted in the selection of seven Opportunity Zones. As a result of this first RFP release, no applications were submitted for Alameda County and only one for Santa Clara County. A second round of applications was permitted for these counties, resulting in four additional applications. Of these, the second Santa Clara application, from Morgan Hill, was rejected as

TABLE 4 **FINAL OPPORTUNITY ZONE EVALUATION CRITERIA**

Qualitative Criteria	
Local incentives	10 points
Zone characteristics such as location, size, relationship to surrounding uses and constraints	15 points
Existing jobs/housing imbalance	10 points
Development proposal	10 points
Jobs/housing impact	40 points
Existing commitments from outside funding sources	5 points
Experience administering similar programs	5 points
Quantitative Criteria	
Zone characteristics including General Plan Land Use Designations and environmental characteristics (i.e. brownfields, FEMA flood zones, wetland areas, slopes , and habitat	5 points
Jobs/housing ratio	10 points
Transportation infrastructure including multi-modal transit stations and freeway interchanges	5 points
Urbanized areas including, urbanized area boundaries and buffers, and population and employment density	5 points

not meeting the program criteria, and two Alameda County sites, San Lorenzo Village and Dublin Transit Center, were selected for Opportunity Zone designation. In order to designate a tenth Zone, the IRP reviewed the proposals that had been ranked third in each county over the previous two rounds. The Union City Inter-modal Station Area was chosen as the final Opportunity Zone.

2. Evaluation

The Opportunity Zone selection process was developed through a series of steps that took into account a wide range of needs for the IRP Pilot Project. This section evaluates the required criteria and selection process with regard to the stated goals of the IRP project, and also discusses some of the areas where a different selection process might have allowed for a better fit with the wide range of IRP goals.

**INTER-REGIONAL PARTNERSHIP
IRP STATE PILOT PROJECT EVALUATION
PILOT PROJECT DESIGN AND IMPLEMENTATION**

TABLE 5 **EVALUATION COMMITTEE RESULTS**

Proposal	Round Submitted	GIS Score	Committee Score	Committee Ranking	GIS Ranking	Selected? Y or N
Alameda County (ABAG)						
Dublin Transit Center	2	N/A	N/A	1	N/A	Y (a)
San Lorenzo Village	2	N/A	N/A	2	N/A	Y (a)
Union City Intermodal Station Area	2	107.0 (b)	107.0 (b)	3	N/A	Y (c)
Contra Costa County (ABAG)						
Cities of Antioch & Brentwood	1	17.05	104.45	1	2	Y
Cities of Antioch & Oakley	1	16.52	100.52	2	3	Y
City of Pittsburg (d)	1	18.94	77.14	3	1	N
Santa Clara County (ABAG)						
City of Milpitas	1	20.16	110.65	1	1	Y
City of Morgan Hill	2	N/A	N/A	N/A	N/A	N
San Joaquin County (SJCOG)						
City of Manteca: Tara Business Park	1	18.86	104.86	3	4	N
City of Ripon: North Pointe Planning District	1	17.42	86.77	6	6	N
City of Stockton: A.G. Spanos Business Park	1	19.20	88.15	5	2	N
City of Tracy: Tracy Gateway Business Park	1	18.36	113.41	1	5	Y
County of San Joaquin: Airport East	1	19.60	108.80	2	1	Y
Port of Stockton/City of Stockton: Rough and Ready Island	1	19.19	99.53	4	3	N
Stanislaus County (STANCOG)						
City of Modesto	1	20.53	97.37	2	1	Y
County of Stanislaus: Patterson	1	18.37	103.27	1	3	Y
County of Stanislaus: Salida	1	19.08	85.68	3	2	N

Notes:

(a) Selected in round two.

(b) Only an average between GIS and Committee scoring is available.

(c) Selected in round three.

(d) Highlighting indicates a significant difference in the ranking from the Evaluation Committee and the GIS evaluation process.

a. Required Criteria

As noted above, basic Opportunity Zone requirements were determined by AB 2864. The first two of these legislative requirements, determining the size of potential Opportunity Zones and the amount of underutilized or vacant land, may have led to the selection of projects that were not consistent with the broad goals of the IRP. Both of these requirements encourage outward development away from infill areas where available parcels are typically smaller than 50 acres and which may or may not be vacant or underutilized based on some preset equation. However, such parcels may serve the needs of the community better if they are redeveloped with a use that is lacking in the jurisdiction.

Infill projects generally take place on small parcels (e.g. half acre lots) that are spread out through an urban area. Individual projects on small, infill sites may not have a large impact on the jobs-to-housing ratio. However, when a city makes a concerted effort to redevelop several small parcels with a particularly needed use the outcomes may be significant. Many cities in the IRP counties have projects underway to promote development on small parcels in their downtown, but such projects were not eligible for Opportunity Zone status because of the size requirements set out in the legislation.

b. GIS Criteria

The IRP GIS is a useful and important tool for compiling an inter-regional database to assist in identifying growth trends and highlighting problem areas. IRP staff designed the GIS as a broad brush analysis tool to identify general areas suited for focused development based on existing development and population density, access to transit and freeway networks, environmental characteristics, the types of land uses that were allowed on the sites and the existing ratio of jobs-to-housing in the area.

Over the course of the implementation process, the information from the GIS analysis was de-emphasized in favor of more qualitative criteria. In addition, the threshold measurements, designed to limit the number of projects that would be eligible for an Opportunity Zone designation, were removed

from the selection process. Eliminating these thresholds weakened the program by allowing the inclusion of greenfield development sites and sites without transportation access. While development in these locations may meet the IRP's goals for job or housing growth, it may also negatively impact the other goals of the IRP such as, a more efficient transportation system or open space preservation.

c. Timeframe for Development

The Pilot Project was constrained by legislative deadlines which required progress in the Opportunity Zones within ten years. To accommodate that deadline, the IRP required that proposed projects be completed or close to completion within five years. This, in turn, led to the selection of Opportunity Zones in which projects were already in planning or under development. Since the projects had already been planned, the IRP could not influence the design or mix of uses within the developments. Consequently, the Opportunity Zones did not have as much impact in creating new loci of development as intended in the enabling legislation.

d. Balancing IRP Goals

The IRP Pilot Project was designed to accomplish three main goals:

- ◆ Achieve a jobs/housing balance by encouraging economic investment near available housing and housing construction near major employment centers.
- ◆ Improve the transportation network by encouraging development along transit corridors and near transit stations, and creating more sustainable and effective transportation alternatives between jobs and housing centers.
- ◆ Mitigate traffic congestion, long commute times, air and water pollution, and loss of open space and agricultural lands as well the shortage of affordable housing in the Bay Area and lack of jobs in the Central Valley.

During the Opportunity Zone selection process, these three goals sometimes came into conflict. For example, job creation sometimes conflicted with concerns about open space preservation. In implementing the Pilot Project, job

growth was emphasized over all of the other goals, resulting in the selection of Opportunity Zones with attributes that conflict with other goals of the program, such as a greenfield location or a lack of access to public transportation.

e. Lack of Housing-Oriented Projects

The Pilot Project was very successful in soliciting proposals for a significant amount of new job growth in the Central Valley and eastern Contra Costa County. The program was less successful in encouraging housing-based proposals in the jobs-rich Bay Area. Specifically, the Milpitas, Dublin, Union City and San Lorenzo Village Opportunity Zones are all in sub-regions of the Bay Area with large job surpluses,¹ but their projects propose considerable numbers of jobs.

D. On-Going Monitoring of the Opportunity Zones

Another legislative requirement for the State Pilot Project is to collect data on the Opportunity Zones and monitor the impact their development is having on the region. This section describes and evaluates the data collection and on-going monitoring process.

1. Background Information

On-going monitoring of the Opportunity Zones is an important element to understanding how well the Pilot Project is achieving its goals. AB 2864 requires the IRP to monitor the Opportunity Zones on an on-going basis and to evaluate their impact by assessing the gap between jobs and housing before an Opportunity Zone project has been approved and after it has been completed. This gap is to be evaluated by comparing the ratio between the number of jobs and the number of housing units in a local jurisdiction as measured by:

¹ Although Union City and San Lorenzo Village show a surplus of housing, they are actually small housing-rich communities in otherwise job-rich areas.

- ◆ The number of building permits issued
- ◆ The number of jobs generated

These data represent the minimum requirements for monitoring the progress of the Opportunity Zones. DC&E was contracted to design a more complete monitoring methodology to meet the minimum requirements of AB 2864 and to provide data that might show a correlation between the development in the Opportunity Zones and changes to the jobs-to-housing ratio at the jurisdictional and county levels. Additionally, the IRP wanted to track the effect of changes to jurisdictional jobs/housing balances on other regional issues such as commute patterns and air quality. IRP staff are responsible for collecting the data to implement the methodology.²

2. Evaluation

The data items required by AB 2864 are not sufficient to provide a clear correlation between development in the Opportunity Zones and changes in jobs/housing balance either for the jurisdiction or for the region as a whole. The methodology that IRP had developed recommends an extensive array of data to collect so that the necessary correlations can be made. However, as of the publication of this report, IRP staff have only been able to collect a limited subset of the data recommended because of the difficulty in acquiring data. In particular, IRP staff have had difficulty in acquiring data and tracking the Opportunity Zones.

a. Timeframe and Resources for Data Collection

In part, difficulty in collecting data arose because the methodology for data collection was not designed until after the Pilot Project had been in effect for over two years. Data collection would have been easier and required fewer resources had it begun at the outset of the Pilot Project. Additionally, there were no funds specifically set aside in the project budget for data collection.

² The complete data collection methodology has been fully described in the *Jobs/Housing Opportunity Zone On-Going Monitoring Program Methodology*, submitted to the IRP on March 8, 2004. A copy of this document is available from IRP staff.

b. Data from Participating Jurisdictions

Success of the Pilot Project depends on the cooperation of jurisdictions to collect data and monitor the Opportunity Zones within their boundaries. Accomplishing these activities requires significant staff and monetary resources from the jurisdictions, who have had difficulty finding the necessary funds.

E. Opportunity Zone Incentives

The provision of incentives for new development inside of Opportunity Zones was an important concept of the Pilot Project. Although the IRP has thus far been unable to achieve passage of state legislation to provide these incentives, this section gives background on the incentive program to date and evaluates its likely success.

1. Background Information

The development of the incentives program took place separately from the Opportunity Zone selection process. AB 2864 authorized the use of four types of incentives that might be applied to the Opportunity Zones, but it did not allocate funds to put such incentives in place. The four specified types were:

- ◆ Tax credit priority for development of multifamily residential construction in areas with job surpluses and for job-generating projects in areas with housing surpluses.
- ◆ A return of property taxes for development of affordable housing in areas with job surpluses and for job-generating projects in areas with housing surpluses.
- ◆ Pooling of redevelopment funds.
- ◆ Tax increment financing, based on the redevelopment model, for Jobs/Housing Opportunity Zones.

In addition, AB 2864 did set aside funds, totaling over \$100 million, to implement jobs/housing balance incentive programs. However, none of this money was specifically allocated to the IRP State Pilot Project. AB 2864 did provide funds to run the IRPs, but not in sufficient amounts to fund anything over administrative costs.

After the bill was passed, the IRP commissioned two studies – one on economic development and one on affordable housing – to determine the incentives that would be the most useful for the Opportunity Zones.

The economic development study recommended that the IRP should offer all specified incentives to each of the Opportunity Zones as a means to provide the greatest possible competitive advantage over other locations. The IRP determined that this recommendation was impractical because staff would have to pursue each incentive separately. Instead, staff circulated lists of potential incentives to economic development experts and the affordable housing community to solicit input and determine which incentives would be the most effective.

As a result of the input received, IRP staff created a prioritized list of the most desired incentives and actively pursued legislative action for their implementation. That list included the following incentives, in addition to those listed above:

- ◆ Enterprise Zone Status
- ◆ Priority Status for Zones in State Programs
- ◆ State bond allocations through the California Debt Limit Allocation Committee
- ◆ Tax credits for housing as issued through the California Tax Credit Allocation Committee
- ◆ Childcare assistance
- ◆ Cash Grants
- ◆ Priority for Inter-Regional Improvement Program fund, created by AB 2864

IRP staff has worked diligently over the past four years to put these incentives in place in the Opportunity Zones. Unfortunately, since AB 2864 was passed in 2000, the health of the California economy has declined dramatically. Because the money that was set aside for incentives in the original bill was not specifically dedicated to individual incentives, the legislature has been able to divert those funds to other projects.

Staff continues to pursue funding efforts. AB 723, before the Appropriations Committee as of June 9, 2004, would establish tax increment financing districts in Opportunity Zones. The proposed bill would allow Opportunity Zones to redirect increases in education tax funds – resulting from improvements in a given Opportunity Zone – to additional infrastructure investments.

2. Evaluation

Even if the proposed incentives had been implemented, several issues might have impacted their efficacy. Below are three areas where improvements might be made to the program for better results in the future.

a. Securing Incentives

AB 2864 did not allocate funds to specific incentives at the outset of the IRP State Pilot Project. This approach was used when the Pilot Project was designed because it allowed the IRP flexibility to pursue an ideal suite of incentives once the Opportunity Zones were designated.

AB 2864 was written in a time of economic vitality for the state of California. The bill also had strong support in the legislature. Given the conditions in the legislature at the time and the fact that the bill set aside \$110 million for jobs/housing balance issues (though not the IRP State Pilot Project specifically), this strategy made sense. However, the flexibility gained by not identifying specific incentives became a liability when the economic and political climate changed and funds were diverted to other areas.

b. Emphasis on Housing

Research indicates that job-rich areas face many more hurdles to providing housing than do housing-rich areas in providing jobs.³ While there are many market incentives for economic development and job creation, housing is costly, and fiscally unattractive for jurisdictions and is often perceived as reducing the quality of life in a community.

At the same time, many of the incentives suggested for implementation of the IRP are designed to lead to additional job creation. This is not necessarily the best use of resources, given the relative difficulty of housing creation.

c. Timing of Development

As was argued in Chapter 2, the timing of the construction of jobs and housing is also a key component to encouraging people to live close to their place of work, particularly in housing-rich areas. This issue was discussed at length in Chapter 2, Section A, but put briefly, jobs construction should be encouraged at the same time as housing construction because of the time lag that occurs between the creation of jobs and the availability of existing housing stock in surrounding housing-rich areas.

d. Overlap with Other Incentives Programs

Some of the incentives pursued by the IRP are already available to some of the Opportunity Zones. These include:

- ◆ Pooling Redevelopment Funds and Tax Increment Financing. Six of the ten Opportunity Zones (Union City; Milpitas; Dublin; San Lorenzo; Antioch-Oakley and Modesto) are located partially or entirely within existing redevelopment areas. Thus, these six sites are already eligible for these incentives.
- ◆ Enterprise Zone Status. The Dublin Transit Center and Airport East are already located in Enterprise Zones, which entitle businesses in those zones to several tax incentives and loan preference benefits.

³ Robert Cevero, *Jobs-Housing Balance Revisited: Trends and Impacts in the San Francisco Bay Area*, APA Journal, Autumn 1996 P. 499, 501.

- ◆ Other State Grant Programs. One of the pre-requisites to applying for Opportunity Zone status was eligibility to compete for existing state programs. Initially, it may have been thought that Opportunity Zone status would convey a competitive advantage to the participating jurisdictions applying for state grants. It does not appear that this would indeed be the case.

e. Resources for Participating Jurisdictions

The IRP has an ambitious program to change land use patterns in two regions. Success depends on engaging local government staff in the Opportunity Zone jurisdictions in the discussion about regional issues such as jobs/housing balance, transportation and air quality. The outcomes from the Pilot Project are intended to have regional benefits. In the long run, Pilot Project programs will benefit individual cities as the region as a whole improves. In the short-term, however, the necessary work to make the Pilot Project successful may require cities to do additional work at the local level, without compensation for the short-term impacts.

As has been discussed previously in this section, the guarantee of incentives is important for encouraging cities to redirect funds from other important programs and mitigate the short-term costs cities may experience in implementing Opportunity Zone projects. It is also important to provide incentives for city staff and officials to become engaged in the discussion of the regional problems that can be created by local land use and development decisions and to provide education about the local benefits that might accrue from regional programs such as the State Pilot Project to balance jobs and housing.

INTER-REGIONAL PARTNERSHIP
IRP STATE PILOT PROJECT EVALUATION
PILOT PROJECT DESIGN AND IMPLEMENTATION

5 RECOMMENDATIONS

This chapter summarizes the results of Chapters 2, 3 and 4 into a series of specific recommendations regarding the IRP State Pilot Project. The recommendations are organized into the following topics:

- ◆ Overall Program Efforts
- ◆ Opportunity Zone Strategy
- ◆ Jobs/Housing Balance Efforts
- ◆ Geographic Information System
- ◆ Opportunity Zone Selection Process
- ◆ On-going Monitoring of the Opportunity Zones
- ◆ Incentives

A. Overall Program Organization and Efforts

The IRP State Pilot Project was the first program of its kind in California. It required an enormous amount of political will to bring decision-makers from five different counties together to create this vehicle for inter-regional planning. Bringing together representatives from these five widely divergent areas represents an innovative approach to addressing the difficult problems that face California communities struggling to deal with regional market forces that cross jurisdictional boundaries.

The regular meetings of the IRP members creates strong working relationships between elected officials and staff of different counties, who ultimately must work together to solve the bi-regional problems facing the IRP area. Experience gained in each county becomes an asset for the other counties. The transfer of knowledge prevents the repetition of mistakes and leads to innovative approaches to address the needs of each area.

Moreover, the IRP has served as a model for other similar programs throughout the state. AB 2864 provided funding for the creation of additional IRPs. To date, there are a total of eight IRPs, including the IRP in the Central Val-

ley and ABAG regions. All of these IRPs meet periodically to share their experiences and strategies for addressing the jobs/housing balance. These state-wide interactions would not have been possible without the Central Valley and ABAG IRP.

Recommendation 1: This IRP should continue regular meetings to:

- ◆ Share knowledge
- ◆ Promote discussion of the regional issues such as jobs/housing balance
- ◆ Refine the State Pilot Project and the Opportunity Zone strategy
- ◆ Identify and adopt additional strategies to address regional problems

Recommendation 2: The IRP may want to consider setting aside specific resources to educate city staff and elected officials about the benefits of the Pilot Project and engage them in on-going discussions about the regional issues of concern to the program.

B. Opportunity Zone Strategy

As discussed in Chapters 2, 3 and 4, the Opportunity Zone Strategy has the potential to be effective in certain local settings. However, it excludes some areas from participation in the IRP, and it also fails to address more systemic issues in jobs/housing balance and interregional planning. Therefore, it would make sense for the IRP to continue to focus on Opportunity Zones, while also working on other initiatives as well.

Recommendation 3: The IRP should continue with its Opportunity Zone strategy, both with the current round of Opportunity Zones and potentially by implementing additional rounds of Opportunity Zones that respond to the recommendations in the rest of this chapter.

At the same time, future IRP efforts should also include other types of strategies, including the following:

- ◆ Development of a bi-regional plan or vision that would work to improve the jobs/housing balance on many fronts. Such an effort might be similar to the recently completed Bay Area Smart Growth Vision completed

by ABAG and the Bay Area's other regional agencies, and would include identification of other implementation measures to be used throughout the regions.

- ◆ Development of incentives to support needed job and housing development in all housing- and job-rich areas without regard to inclusion in an Opportunity Zone.
- ◆ Creation of council of governments/Metropolitan Transportation Agency links between transportation funding and the balanced provision of jobs and housing, similar to those already in place in Oregon.
- ◆ Identification and acquisition of additional funds to provide infrastructure and reduce off-site development costs.
- ◆ Implementation of a regional economic development strategy that prioritizes sites based on criteria such as proximity to infrastructure and transit, workforce skill sets and potential market synergies. Economic development incentives should be linked to these priorities using project evaluation criteria. This strategy should be founded on in-depth research about:
 - Current market conditions and skill levels
 - Industries that might locate in housing-rich areas throughout the IRP counties
 - Potential locations for industry development

Once a regional strategy is developed, jurisdictions willing to participate in the strategy should adopt the regional strategy. Criteria developed for the Geographic Information System and Opportunity Zone project evaluation created for the State IRP Pilot Project, discussed in Chapter 4, may also be an important resource. The report commissioned by the IRP at the outset of the IRP State Pilot Project, *Managing the Conse-*

quences of Prosperity, provides a good starting point for pursuing such a strategy.¹

- ◆ Development of incentive programs that provide funding for jurisdictions interested in revising land use regulations to allow mixed use, such as the Metropolitan Transportation Commission's Transportation for Livable Communities program.
- ◆ Provision of information and educational resources about the negative regional consequences of exclusionary land use policies to make the case for housing. Shifting the local decision-making process in this direction could have a significantly beneficial impact on the housing market and the jobs/housing balance overall.
- ◆ Advocacy for statewide policy reform may be an effective strategy for the IRP to pursue to reduce the burden on jurisdictions with a surplus of housing, and to provide an incentive for job-surplus communities to bring in new housing.

C. *Jobs/Housing Balance Efforts*

Chapter 2 of this report evaluates a number of aspects of the IRP's jobs/housing strategy. This section summarizes recommendations that follow from the discussion in that chapter.

Recommendation 4: Because of the political problems inherent in developing new housing in job-rich areas and the market's natural tendency to provide jobs in housing-rich areas over time, future IRP efforts should emphasize the provision of housing in job-rich areas. Some on-going programs can also emphasize job-creation in housing-rich areas, but the primary focus should be on housing in jobs-rich areas.

¹ James R. King, *Managing the Consequences of Prosperity: A Report for the Inter-Regional Partnership*, Prepared for the East Bay Economic Development Alliance for Business by Applied Development Economics. January 10, 2001.

Recommendation 5: In order to allow for the quickest possible results, future IRP programs should emphasize the construction of jobs and housing at the same time in housing-rich areas.

Recommendation 6: Future IRP programs should focus, not only on the creation of a numerical balance between jobs and housing, but also on a match between the salaries of local jobs and the availability of appropriately priced housing to serve workers who fill those jobs.

Recommendation 7: Future IRP programs should emphasize, not only the construction of job-generating uses and housing, but should also be concerned about the design and mix of these uses. IRP programs should emphasize pedestrian- and transit-oriented design strategies and mixes of uses that encourage residents and workers to live near their workplaces.

D. Geographic Information System

As noted in Chapter 4, the IRP has made significant progress in developing GIS data for the five-county region. However, improvements could be made in both the level of detail collected and the geographies for data analysis.

Recommendation 8: This and future IRPs should consider creating a parcel level database to track development and trends to help identify potential sites for future focused development efforts and craft a regional economic development strategy. Similar parcel-level data has been collected in the Sacramento region (SACOG), and is proving very valuable for regional planning efforts there.

Recommendation 9: If staff and resources become available in the future, the IRP should pursue data collection and analysis at the scale of the Jobs Housing Analysis Areas defined by DC&E as a means to provide more meaningful information on regional jobs/housing balance.

E. Opportunity Zone Selection Process

As noted in Chapter 4, the selection of the Opportunity Zones was a key part of the overall Pilot Project process because the degree to which Opportunity Zone projects meet IRP goals is the most important indicator of success for the Pilot Project. This section describes several recommendations for improving the selection process.

Recommendation 10: IRPs should consider modifying the minimum parcel size requirements and reducing the percentage of vacant or underutilized parcels to allow for more infill development. New criteria should be considered that would allow a jurisdiction to submit a proposal for an Opportunity Zone made up of several non-contiguous parcels within an urbanized area or located within a specified distance from transit facilities. Density criteria for both jobs and housing should also be considered.

Recommendation 11: For any future Opportunity Zone selection process, additional criteria should be added to more thoroughly reflect the entire range of goals of the IRP. Such criteria might include:

- ◆ Compact development patterns
- ◆ Proximity to existing services
- ◆ Reuse of underutilized or vacant land within existing urbanized areas
- ◆ Proximity to transit
- ◆ Size of site
- ◆ Downtown location

Recommendation 12: Placing additional emphasis on the information available in the GIS data layers could have improved the selection results for the Opportunity Zones. Minimum and maximum threshold measurements are an important tool for determining which locations are best suited to serve as Opportunity Zones and should be emphasized. Work on this and future IRPs should also include a set of eligibility requirements, based on the thresh-

old measurements developed for the GIS system covering location, land use designations, infrastructure, transit services, and relationship to urban development. Opportunity Zone applicants should be required to meet minimum or maximum thresholds in order to be eligible for the program.

Recommendation 13: Future IRP enabling legislation should include a longer time frame for measuring success.

Recommendation 14: Future Opportunity Zone selection criteria should include a requirement that proposed projects in housing-rich areas have a preponderance of jobs (e.g. at least 80%), and that projects in job-rich areas have a large preponderance of housing (e.g. at least 80%). This evaluation should be made based on the jobs/housing balance data of the project sub-regions (i.e. jobs/housing ratio for the county or census tracts within a 30 minute driving radius), as opposed to its city or county.

F. On-Going Monitoring of the Opportunity Zones

Chapter 4 discusses the on-going monitoring of progress in Opportunity Zones. This section summarizes recommendations in this regard.

Recommendation 15: This and future IRPs should establish the methodology for data collection before designating Opportunity Zones. Data collection should begin when the Opportunity Zones are designated.

Recommendation 16: The IRP should consider including a data collection requirement for jurisdictions that receive an Opportunity Zone designation and stipulate the terms for data collection in the document designating the Opportunity Zone. To mitigate the costs to jurisdictions that would accompany this requirement, the IRP should consider establishing a funding source and setting aside specific resources that would be available to jurisdictions with Opportunity Zones for implementing Opportunity Zone projects and collecting data about their progress.

G. Incentives

As discussed in Chapter 4, the provision of incentives for new development inside of Opportunity Zones was an important concept of the Pilot Project. This section summarizes recommendations regarding these incentives:

Recommendation 17: Any future IRP legislation should include a firm commitment of funds for incentives, so as to ensure certainty for Opportunity Zone applicants and affected jurisdictions.

Recommendation 18: The Pilot Project and other future IRPs would benefit from a stronger emphasis on incentives to promote the creation of housing in job-rich areas. Therefore, particular attention should be paid to creating incentives that would support such housing creation.

Recommendation 19: The IRP should emphasize the pursuit of new incentives that are not currently available in existing Opportunity Zones.

APPENDIX

ON-GOING MONITORING PROGRAM DATA

This appendix contains data collected by IRP staff to monitor the progress of the State Pilot Project Opportunity Zones. Staff from each participating Council of Governments collected the following data for the Opportunity Zones in their counties:

- ◆ **Population:** Total number of residents in defined geographic area.
- ◆ **Dwelling Units:** Total number of dwelling units.
- ◆ **Employment Rate:** Number of residents employed in defined area.
- ◆ **Permitted Residential Development:** Total number of residential permits issued. (Calendar Year)
- ◆ **Permitted Non-Residential Development:** Total number of non-residential permits issued. (Calendar Year)
- ◆ **Open Space Preservation:** Percent of study area dedicated to open space, agriculture, recreational land.
- ◆ **Urbanization of Land:** Total amount of land (in acres) urbanized.
- ◆ **Average Commute Time:** Average commute time of residents or employees in study area.

Data has been collected for three levels: the Opportunity Zones, themselves, jurisdictions and counties with Opportunity Zones. All data is for 2003, the last full year for which data is available. This data will serve as a baseline for the on-going monitoring program.

Much of the data sought by IRP staff, particularly for the Opportunity Zones, is not currently being collected by the jurisdictions or councils of governments and is therefore not available. For a further discussion of this issue, please see Chapter 4, Section D of this report and Chapter 5, Section E for recommendations to address the issue.

**INTER-REGIONAL PARTNERSHIP
IRP STATE PILOT PROJECT EVALUATION**
APPENDIX : ON-GOING MONITORING PROGRAM DATA

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INTER-REGIONAL PARTNERSHIP
 IRP STATE PILOT PROJECT EVALUATION
 APPENDIX : ON-GOING MONITORING PROGRAM DATA

I. ALAMEDA COUNTY

A. Dublin Transit Center/Mixed Use Zone, County of Alameda

				2003	
Indicator	Data Type	Data Source	Zone	City	County
1	Population: Total number of residents in defined geographic area.	Census, Local jurisdiction(s)	N/A	36,155	148,7685
2	Dwelling Units: Total number of dwelling units.	Census, Local jurisdiction(s), Regional Housing Element HCD	N/A	12,016	551,072
3	Employment Rate: Number of residents employed in defined area.	Local jurisdiction	N/A	12,030	699,300
4	Permitted Residential Development (Single Family): Total number of residential permits issued. (Calendar Year)	CIRB	N/A	214	2,087
4a	Permitted Residential Development: Total number of residential permits issued. Multi-Family (Calendar Year)	CIRB	N/A	552	2,433
5	Permitted Non-Residential Development: Total Dollar amt (1000s) of non-residential permits issued. (Calendar Year)	CIRB	N/A	\$15,812	\$608,281
	Industrial	CIRB	N/A	\$0	\$36,695
	Commercial	CIRB	N/A	\$4,147	\$144,720
	Office	CIRB	N/A	\$1,977	\$45,432
	Retail	CIRB	N/A	\$2,170	\$68,146
	Hotel/Motel	CIRB	N/A	\$0	\$3,672
	Other (incl. additions and alterations)	CIRB	N/A	\$11,665	\$426,866
6	Open Space Preservation: Percent of study area dedicated to open space, agriculture, recreational land.	Local jurisdiction(s)	N/A	N/A	N/A
7	Urbanization of Land: Total amount of land (in acres)urbanized.	Local jurisdiction(s)	N/A	N/A	N/A
8	Average Commute Time:			N/A	N/A
	Average commute time of residents in study area.	Census, survey	N/A	N/A	N/A
	Average commute time of employees in study area.	Survey	N/A	N/A	N/A

B. San Lorenzo Village, County of Alameda

Indicator	Data Type	Data Source	Zone	2003	
				Census Designated Place	County
1	Population: Total number of residents in defined geographic area.	Census, Local jurisdiction(s)	N/A	N/A	1487685
2	Dwelling Units: Total number of dwelling units.	Census, Local jurisdiction(s), Regional Housing Element HCD	N/A	N/A	551072
3	Employment Rate: Number of residents employed in defined area.	Local jurisdiction	N/A	10,520	699,300
4	Permitted Residential Development (Single Family): Total number of residential permits issued. (Calendar Year)	CIRB	N/A	204	2087
4a	Permitted Residential Development: Total number of residential permits issued. Multi-Family (Calendar Year)	CIRB	N/A	90	2433
5	Permitted Non-Residential Development: Total Dollar amt (1000s) of non-residential permits issued. (Calendar Year)	CIRB	N/A	N/A	\$608,281
	Industrial	CIRB	N/A	N/A	\$36,695
	Commercial	CIRB	N/A	N/A	\$144,720
	Office	CIRB	N/A	N/A	\$45,432
	Retail	CIRB	N/A	N/A	\$68,146
	Hotel/Motel	CIRB	N/A	N/A	\$3,672
	Other (incl. additions and alterations)	CIRB	N/A	N/A	\$426,866
6	Open Space Preservation: Percent of study area dedicated to open space, agriculture, recreational land.	Local jurisdiction(s)	N/A	N/A	N/A
7	Urbanization of Land: Total amount of land (in acres)urbanized.	Local jurisdiction(s)	N/A	N/A	N/A
8	Average Commute Time:		N/A	N/A	N/A
	Average commute time of residents in study area.	Census, survey	N/A	N/A	N/A
	Average commute time of employees in study area.	Survey	N/A	N/A	N/A

INTER-REGIONAL PARTNERSHIP
 IRP STATE PILOT PROJECT EVALUATION
 APPENDIX : ON-GOING MONITORING PROGRAM DATA

C. *Union City Inter-modal Station Area, City of Union City*

Indicator	Data Type	Data Source	Zone	2003	
				City	County
1	Population: Total number of residents in defined geographic area.	Census, Local jurisdiction(s)	N/A	69,913	1,487,685
2	Dwelling Units: Total number of dwelling units.	Census, Local jurisdiction(s), Regional Housing Element HCD	N/A	19,559	551,072
3	Employment Rate: Number of residents employed in defined area.	Local jurisdiction	N/A	30,520	699,300
4	Permitted Residential Development (Single Family): Total number of residential permits issued. (Calendar Year)	CIRB	N/A	88	2,087
4a	Permitted Residential Development: Total number of residential permits issued. Multi-Family (Calendar Year)	CIRB	N/A	46	2,433
5	Permitted Non-Residential Development: Total Dollar amt (1000s) of non-residential permits issued. (Calendar Year)	CIRB	N/A	\$11,479	\$608,281
	Industrial	CIRB	N/A	\$0	\$36,695
	Commercial	CIRB	N/A	\$2,655	\$144,720
	Office	CIRB	N/A	\$0	\$45,432
	Retail	CIRB	N/A	\$2,655	\$68,146
	Hotel/Motel	CIRB	N/A	\$0	\$3,672
	Other (incl. additions and alterations)	CIRB	N/A	\$8,823	\$426,866
6	Open Space Preservation: Percent of study area dedicated to open space, agriculture, recreational land.	Local jurisdiction(s)	N/A	N/A	N/A
7	Urbanization of Land: Total amount of land (in acres)urbanized.	Local jurisdiction(s)	N/A	N/A	N/A
8	Average Commute Time:		N/A	N/A	N/A
	Average commute time of residents in study area.	Census, survey	N/A	N/A	N/A
	Average commute time of employees in study area.	Survey	N/A	N/A	N/A

II. CONTRA COSTA COUNTY

A. Antioch-Brentwood, Cities of Antioch and Brentwood

Indicator	Data Type)	Data Source	Zone	2003		
				Antioch	Brentwood	County
1	Population: Total number of residents in defined geographic area.	Census, Local jurisdiction(s)	N/A	99,065	32,975	992,652
2	Dwelling Units: Total number of dwelling units.	Census, Local jurisdiction(s), Regional Housing Element HCD	N/A	32,623	10,933	366,397
3	Employment Rate: Number of residents employed in defined area.	Local jurisdiction	N/A	35,650	4,090	489,000
4	Permitted Residential Development (Single Family): Total number of residential permits issued. (Calendar Year)	CIRB	N/A	253	1,361	4,965
4a	Permitted Residential Development: Total number of residential permits issued. Multi-Family (Calendar Year)	CIRB	N/A	2	0	1,930
5	Permitted Non-Residential Development: Total Dollar amt (1000s) of non-residential permits issued. (Calendar Year)	CIRB	N/A	\$48,111	\$38,820	\$412,118
	Industrial	CIRB	N/A	\$0	\$1,626	\$33,047
	Commercial	CIRB	N/A	\$27,988	\$23,395	\$128,738
	Office	CIRB	N/A	\$1,000	\$1,271	\$34,710
	Retail	CIRB	N/A	\$25,239	\$21,774	\$88,294
	Hotel/Motel	CIRB	N/A	\$1,748	\$0	\$2,788
	Other (incl. additions and alterations)	CIRB	N/A	\$20,122	\$13,797	\$250,333
6	Open Space Preservation: Percent of study area dedicated to open space, agriculture, recreational land.	Local jurisdiction(s)	0	0	0	0
7	Urbanization of Land: Total amount of land (in acres)urbanized.	Local jurisdiction(s)	0	0	0	0
8	Average Commute Time:		N/A	N/A	N/A	N/A
	Average commute time of residents in study area.	Census, survey	N/A	0	0	0
	Average commute time of employees in study area.	Survey	N/A	0	0	0

INTER-REGIONAL PARTNERSHIP
 IRP STATE PILOT PROJECT EVALUATION
 APPENDIX : ON-GOING MONITORING PROGRAM DATA

B. Antioch-Oakley, Cities of Antioch and Oakley

Indicator	Data Type (Jobs Housing Balance)	Data Source	Zone	2003		
				Antioch	Oakley	County
1	Population: Total number of residents in defined geographic area.	Census, Local jurisdiction(s)	N/A	99,065	26,938	992,652
2	Dwelling Units: Total number of dwelling units.	Census, Local jurisdiction(s), Regional Housing Element HCD	N/A	32,623	8,269	366,397
3	Employment Rate: Number of residents employed in defined area.	Local jurisdiction	N/A	35,650	10,280	489,000
4	Permitted Residential Development (Single Family): Total number of residential permits issued. (Calendar Year)	CIRB	N/A	253	262	4,965
4a	Permitted Residential Development: Total number of residential permits issued. Multi- Family (Calendar Year)	CIRB	N/A	2	0	1,930
5	Permitted Non-Residential Development: Total Dollar amt (1000s) of non-residential permits issued. (Calendar Year)	CIRB	N/A	\$48,111	\$4,385	\$412,118
	Industrial	CIRB	N/A	\$0	\$0	\$33,047
	Commercial	CIRB	N/A	\$27,988	\$920	\$128,738
	Office	CIRB	N/A	\$1,000	\$920	\$34,710
	Retail	CIRB	N/A	\$25,239	\$0	\$88,294
	Hotel/Motel	CIRB	N/A	\$1,748	\$0	\$2,788
	Other (incl. additions and alterations)	CIRB	N/A	\$20,122	\$3,465	\$250,333
6	Open Space Preservation: Percent of study area dedicated to open space, agriculture, recreational land.	Local jurisdiction(s)	N/A	N/A	N/A	N/A
7	Urbanization of Land: Total amount of land (in acres)urbanized.	Local jurisdiction(s)	N/A	N/A	N/A	N/A
8	Average Commute Time:		N/A	N/A	N/A	N/A
	Average commute time of residents in study area.	Census, survey	N/A	N/A	N/A	N/A
	Average commute time of employees in study area.	Survey	N/A	N/A	N/A	N/A

III. SAN JOAQUIN COUNTY

A. Airport East, County of San Joaquin

Indicator	Data Type (Jobs Housing Balance)	Data Source	Zone	2003*		
				City	Unincorporated Area	County
1	Population: Total number of residents in defined geographic area.	Census, Local jurisdiction(s)	0	261,300	134,600	613,500
2	Dwelling Units: Total number of dwelling units.	Census, Local jurisdiction(s), Regional Housing Element HCD	0	78,000	41,657	100,566
3	Employment Rate: Number of residents employed in defined area.	EDD, Census	0	101,500	65,550	250,000
4	Permitted Residential Development: Total number of residential permits issued. (Calendar Year)	Local jurisdiction(s)	0	3,000	800	6,337
5	Permitted Non-Residential Development: Total number of non-residential permits issued. (Calendar Year)	Local jurisdiction(s), Const. Industry Research Board	0	\$688,177	\$260,802	\$1,542,161
6	Open Space Preservation: Percent of study area dedicated to open space, agriculture, recreational land.	Local jurisdiction(s)	48	TBD	TBD	TBD
7	Urbanization of Land: Total amount of land (in acres) urbanized.	Local jurisdiction(s)	400	8,173	838,720	921,600
8	Average Commute Time:			27.2	29.2	29.2
	Average commute time of residents in study area.	Census, survey	0	N/A	N/A	N/A
	**Average commute time of employees in study area.	Survey	0	N/A	N/A	N/A

* Baseline Year for Data Collection.

** Only for those zones with no current build-out.

INTER-REGIONAL PARTNERSHIP
IRP STATE PILOT PROJECT EVALUATION
APPENDIX : ON-GOING MONITORING PROGRAM DATA

B. Tracy Gateway Business Park, City of Tracy

Indicator	Data Type (Jobs Housing Balance)	Data Source	Zone	City	2003	
					Unincorporated Area	County
1	Population: Total number of residents in defined geographic area.	Census, Local jurisdiction(s)	0	73,250	134,600	613,500
2	Dwelling Units: Total number of dwelling units.	Census, Local jurisdiction(s), Regional Housing Element HCD	0	20,500	41,657	100,566
3	Employment Rate: number of residents employed in defined area.	EDD, Census	0	20,320	65,550	250,000
4	Permitted Residential Development: Total number of residential permits issued. (Calendar Year)	Local jurisdiction(s)	0	1,200	800	6,337
5	Permitted Non-Residential Development: Total number of non-residential permits issued. (Calendar Year)	Local jurisdiction(s), Const. Industry Research Board	0	\$244,801	\$260,802	\$1,542,161
6	Open Space Preservation: Percent of study area dedicated to open space, agriculture, recreational land.	Local jurisdiction(s)	120	N/A	N/A	N/A
7	Urbanization of Land: Total amount of land (in acres) urbanized.	Local jurisdiction(s)	380	8,173	838,720	921,600
8	Average Commute Time:			42	29.2	29.2
	Average commute time of residents in study area.	Census, survey	0	N/A	N/A	N/A
	**Average commute time of employees in study area.	Survey	0	N/A	N/A	N/A
	* Baseline Year for Data Collection.	** Only for those zones with no current buildout.				

IV. SANTA CLARA COUNTY

A. Milpitas Housing, City of Milpitas

Indicator	Data Type (Jobs Housing Balance)	Data Source	Zone	2003	
				City	County
1	Population: Total number of residents in defined geographic area.	Census, Local jurisdiction(s)	N/A	64,671	1,719,537
2	Dwelling Units: Total number of dwelling units.	Census, Local jurisdiction(s), Regional Housing Element HCD	N/A	18,081	595,879
3	Employment Rate: Number of residents employed in defined area.	Local jurisdiction	N/A	26,560	821,600
4	Permitted Residential Development (Single Family): Total number of residential permits issued. (Calendar Year)	CIRB	N/A	2	2,320
4a	Permitted Residential Development: Total number of residential permits issued. Multi-Family (Calendar Year)	CIRB	N/A	0	5,170
5	Permitted Non-Residential Development: Total Dollar amt (1,000s) of non-residential permits issued. (Calendar Year)	CIRB	N/A	\$33,199	\$972,911
	Industrial	CIRB	N/A	0	\$6,506
	Commerical	CIRB	N/A	0	\$207,968
	Office	CIRB	N/A	N/A	\$51,793
	Retail	CIRB	N/A	N/A	\$97,782
	Hotel/Motel	CIRB	N/A	N/A	\$2,000
	Other (incl. additions and alterations)	CIRB	N/A	\$33,199	\$90,144
6	Open Space Preservation: Percent of study area dedicated to open space, agriculture, recreational land.	Local jurisdiction(s)	N/A	N/A	N/A
7	Urbanization of Land: Total amount of land (in acres)urbanized.	Local jurisdiction(s)	N/A	N/A	N/A
8	Average Commute Time:		N/A	N/A	N/A
	Average commute time of residents in study area.	Census, survey	N/A	N/A	N/A
	Average commute time of employees in study area.	Survey	N/A	N/A	N/A

V. STANISLAUS COUNTY

A. Kansas Avenue Business Park, City of Modesto

				2003	
Indicator	Data Type (Jobs Housing Balance)	Data Source	Zone	City	County
1	Population: Total # of residents in defined geographic area.	Census, Local jurisdiction(s)	0	203,498	482,976
2	Dwelling Units: Total # of dwelling units.	Census, Local jurisdiction(s), Regional Housing Element HCD	0	70,969	159,724
3	Employment Rate: # of residents employed in defined area.	Local jurisdiction	0	82,503	188,360
4	Permitted Residential Development (Single Family): Total # of residential permits issued. (Calendar Year)	CIRB	0	N/A	N/A
5	Permitted Non-Residential Development: Total Dollar amt (1000s) of non-residential permits issued. (Calendar Year)	CIRB	0	N/A	N/A
6	Open Space Preservation: % of study area dedicated to open space, agriculture, recreational land.	Local jurisdiction(s)	N/A	N/A	N/A
7	Urbanization of Land: Total amount of land (in acres)urbanized.	Local jurisdiction(s)	91.6	N/A	N/A
8	Average Commute Time:		N/A	N/A	N/A
	Average commute time of residents in study area.	Census, survey	N/A	N/A	N/A
	Average commute time of employees in study area.	Survey	N/A	N/A	N/A

B. Patterson Business Park, County of Stanislaus

2003					
Indicator	Data Type (Jobs Housing Balance)	Data Source	Zone	City	County
1	Population: Total # of residents in defined geographic area.	Census, Local jurisdiction(s)	3	13,684	482,976
2	Dwelling Units: Total # of dwelling units.	Census, Local jurisdiction(s), Regional Housing Element HCD	1	3,777	159,724
3	Employment Rate: # of residents employed in defined area.	Local jurisdiction	2	5,038	188,360
4	Permitted Residential Development: Total # of residential permits issued. (Calendar Year)	CIRB	0	134	N/A
5	Permitted Non-Residential Development: Total Dollar amt (1000s) of non-residential permits issued. (Calendar Year)	CIRB	0	N/A	N/A
6	Open Space Preservation: % of study area dedicated to open space, agriculture, recreational land.	Local jurisdiction(s)	N/A	N/A	N/A
7	Urbanization of Land: Total amount of land (in acres)urbanized.	Local jurisdiction(s)	N/A	N/A	N/A
8	Average Commute Time:		N/A	N/A	N/A
	Average commute time of residents in study area.	Census, survey	N/A	N/A	N/A
	Average commute time of employees in study area.	Survey	N/A	N/A	N/A